. New Hazards Ahead

The Reporter

August 7, 1951

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General Van Fleet

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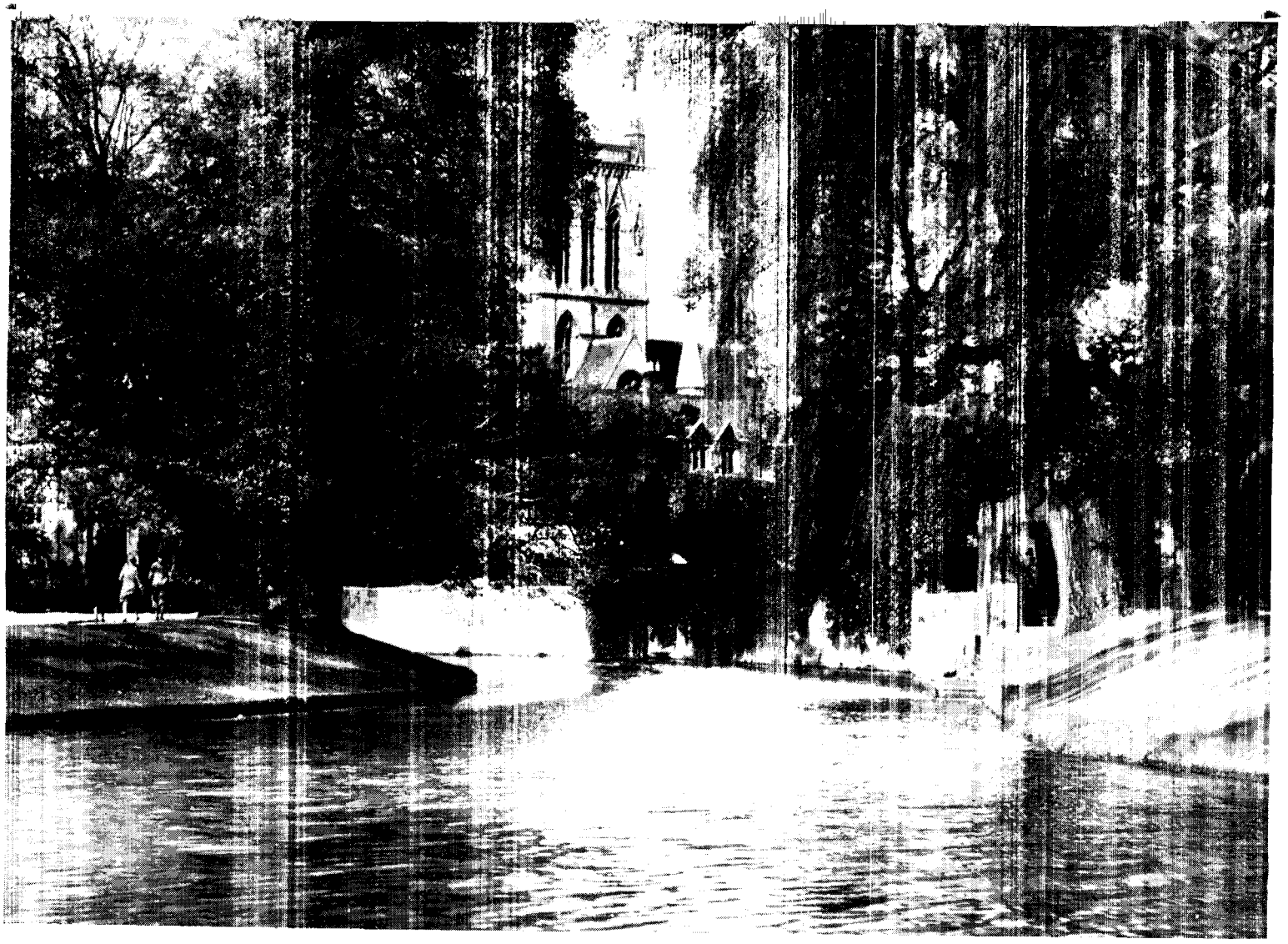
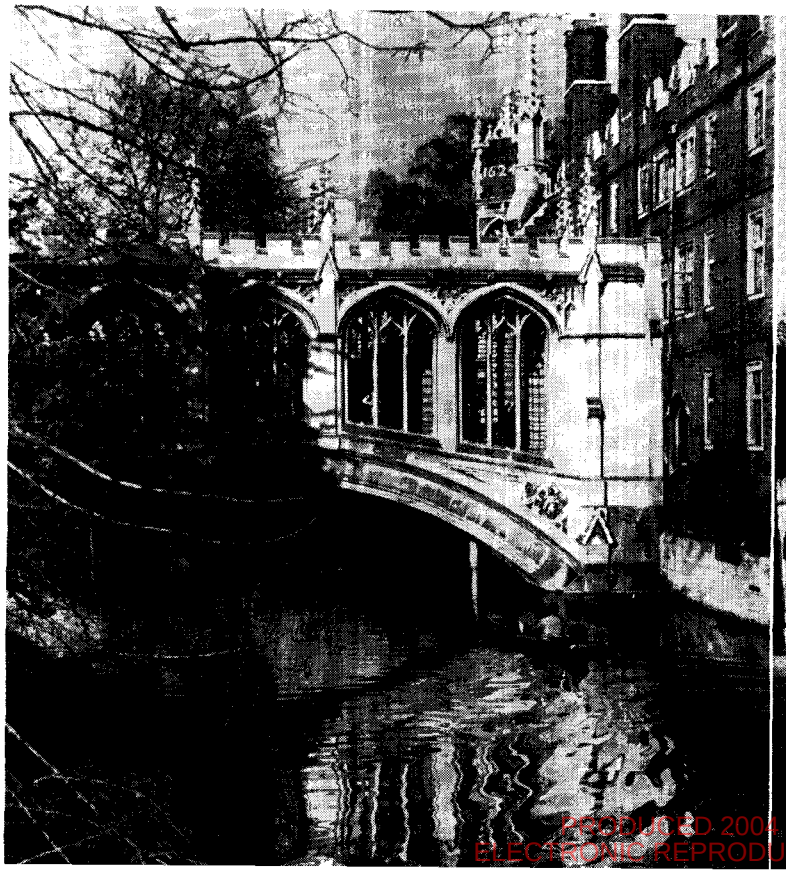
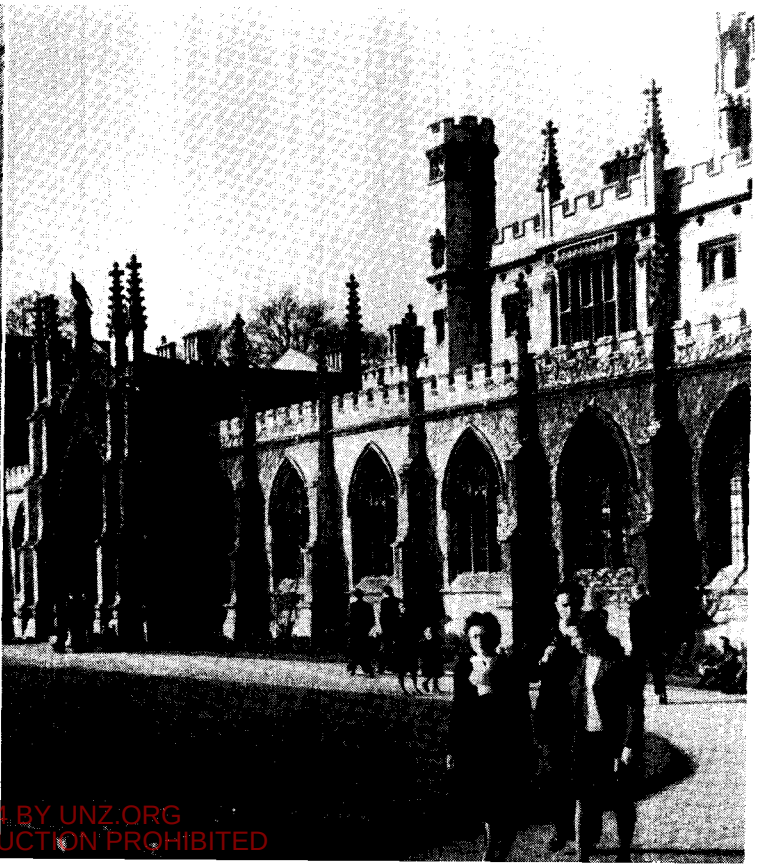


The changeless face of Cambridge University (see page 36)





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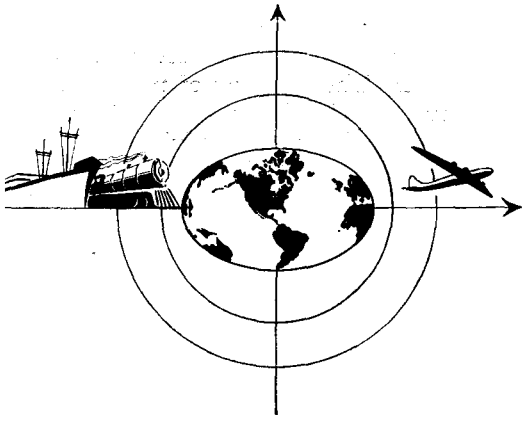
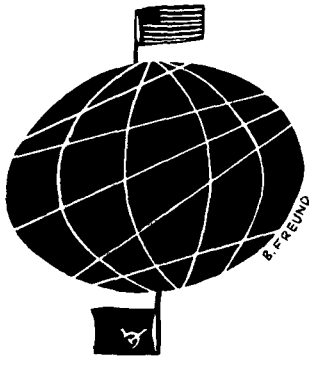


THE REPORTER'S NOTES

NO AGGRESSION

In this issue we examine some of the hurdles and traps that lie ahead of us if the Korean fighting ends around the 38th parallel. A truce can stop only the shooting. It cannot end the world-wide civil war, nor can it close even one episode in it—the Korean struggle, which is bound to take equally vicious, though perhaps less bloody, forms.

Militarily, the 38th parallel is no more secure a boundary than it was in June, 1950; today we have troops there (more than we should have by any global strategic reckoning), and we will have to keep them there until South Korea is powerful enough—militarily, economically, and politically—to discourage aggression on its own. A year ago, the United Nations ac-



cepted long odds militarily; now it must take them politically and economically—and work for the reconstruction of a small but terribly devastated piece of a peninsula at the edge of the Communist land mass.

But if it would be disastrously unrealistic to glory in victory and belittle our new problems, it is just as unrealistic to belittle what our soldiers have achieved these last twelve months in Korea:

The United Nations has stopped aggression by force and shown that collective security now—and in the future—means something.

The Communists have paid, almost five soldiers to one, in a struggle that brought them not one square mile of territory.

Maybe the North Koreans and their partners are getting off easy, but we believe that the next satellite will think longer before jumping into a war at the Kremlin's behest. We said "no aggression," and we meant it.

THE MATTER OF INTENT

It appears that the imperatives of partisan politics have caused Senator Pat McCarran to take up where Senator Joe McCarthy left off to try to prove what McCarthy couldn't prove—that Communists have been framing our foreign policy. Eighty-one, fifty-seven—or even one Communist will do, just so he is alive and kicking, has, or has had, some influence in our State Department, and resembles the composite picture McCarthy painted—which has often appeared to us to be of a wispy young man with a Tattersall vest and an old Browder button.

Senator McCarran's committee has been concentrating its attention lately on a private organization, the Institute of Pacific Relations, helped no doubt by the Institute's files, which it captured in a Massachusetts barn instead of taking the less spectacular course of acknowledging the Institute's willingness to open its files voluntarily. Through the I.P.R. it hopes to get something on Philip Jessup, and through Jessup on Secretary Acheson himself.

IT IS amusing that in its pursuit of un-Americanism the McCarran committee has employed the services of Miss Freda Utley, who was born English, who lived for some years in Russia as the wife of a Communist Party member, and who came to this country apparently through the good offices of the Chinese Nationalist government. We don't question Senator McCarran's right to hire any help he chooses, but we wonder whether Miss Utley is as well grounded in certain American principles and laws as Senator McCarran, a lawyer, ought to be.

For instance, in her recent book, *The China Story,* a curious passage occurs. The passage was quoted, with evident approval, in *Time,* which, to borrow its own phraseology, mortally hates & fears the State Department. Miss Utley writes:

"Our Secretary of State is a leading example of a particular species of American that has flourished since the early 1930's. They think of themselves as 'liberal idealists,' but they are, in

fact, protagonists of the Marxian materialist philosophy and apologists or supporters of Communist tyranny."

If this means what we think it means, it is a negation of the principle of intent, which is as old as Anglo-Saxon law. By Miss Utley's criterion, what a man intends to do, what he thinks he is doing, is of no importance; he is judged solely on the results, even if they are a long time coming. Thus involuntary manslaughter becomes murder, getting your finger caught in a piece of machinery becomes sabo-

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tage, and opposing anything the Communists oppose becomes treason.

We don't like to think that *Time,* or even Miss Utley, wants to abolish the principle of intent in our laws and our behavior, although Miss Utley, at least, must understand what she is saying, since she was in Moscow during the great purge trials of the 1930's. A friend of ours, who was there as a reporter, was talking about them just the other day. There was nothing mysterious about the confessions of the Old Bolsheviks, he said—no torture, no drugs, no breaking down of the will. It was simply that as good Marxists they did not believe in the principle of intent, and so they confessed that their acts, *if* carried to their logical conclusion, *might* have resulted in injury to the state, so they pleaded guilty and were shot.

We hope the time won't come when, before some future tribunal, Senator McCarran has to confess somewhat as follows:

"I will not waste the time of the court explaining why I supported General Franco. It is perfectly obvious that I considered him the defender of Christianity and the enemy of Communism. What is important is merely that through my support of General Franco I contributed to the belief among the Spanish people, who eventually overthrew him, that the American people were their enemies. For this I stand guilty as charged and I ask no mercy of the court."

NEW SPAIN?

Speaking of Franco, we read recently that he intends to "liberalize" his government, to make it more palatable to the western democracies—meaning principally the United States, which has the money that Franco wants to borrow. Since the United States has been trying for four years to persuade the Generalissimo to liberalize his government, and has been repeatedly told to mind its business, it would be even more interesting to know what caused him to change his mind. Not only the suasions of Ambassador Stanton Griffis or other American visitors, we'll bet. The recent strikes in Spain had the backing, in many cases, of employers, for whom Franco has considerably more respect than he has for workers.

A stepping up of the strikes could bring about a situation in which Franco would have to call out the army. For several years he has been replacing the older, monarchist-minded generals with younger men of whose loyalty he is more certain, but the Falangist ardor of many officers has been waning noticeably.

Franco's first step in his program, we are told, will be to "liberalize" the press. As a first step, that is all right with us. Now Franco has only to fix it so that a man can join a union, go to a church of his choice, live where he pleases, get a fair deal, and eat one square meal a day.

CONTROLS

In the midst of the price-and-wage controls debate, Representative Jesse P. Wolcott of Michigan, considered a Republican bellwether on such subjects, made a statement that typified the attitude of many Congressmen in both parties on controls. Wolcott's main points were, in substance: first, that the Republicans consider controls very necessary; second, that the controls the President asked for would give him dangerously dictatorial powers; third, that when Congress gave the President similar powers last year, he waited several months before he used them; and fourth, that therefore Congress should not give the President such strong powers this year.

After sliding from the first premise to the fourth one, Wolcott and his colleagues can obviously justify themselves in doing anything, or nothing, about controls. They pillory President Truman for not using last year the "dictatorial" powers which they consider it dangerous for him to have this year. If any grain of common sense can be distilled from the argument, it is in the accusation that the President locked the barn door after the horse was stolen. There is a bit of truth to this, but only a bit. The fact some Congressmen are having a painfully hard time realizing is this: The United States is no one-horse nation. There are more high prices where the last ones came from.

GENERAL ADMISSION

At a dinner given in his honor by the English-Speaking Union in London recently, General Dwight D. Eisenhower had an unorthodox thing to say about how a supreme command can be operated:

"Serious differences in conviction must be beaten out [on] the anvil of logic and justice. . . . There are men in this room with whom, in World War II, I had arguments, hotly sustained and of long duration. Had all these been headlined in the press of our two countries, they could have created public bitterness, confusing our peoples in the midst of our joint effort.

"Decisions were reached without such calamitous results, because those at odds did not find it necessary to seek justification for their personal views in a public hue and cry. Incidentally, a more personal reason for this expression of satisfaction is a later conclusion that my own position in the arguments was not always right."

MAN ON HORSEBACK

It's a dull day when the readers of New York newspapers do not see a photograph of their mayor officiating at the opening of a new bridge, the laying of a cornerstone, or the reception of a visiting athlete. Not long ago, His Honor attended the inauguration of a new merry-go-round in Central Park, and the paper carried a memorable picture: the mayor mounted on a prancing steed, his strong left arm steadying a three-year-old girl who holds a balloon, his right hand extended to greet the public, and on his face the smile of the official who knows that he is doing his job well.

Even if there were nothing else to recommend his administration, Vincent Impellitteri has already earned a place in municipal history for his tireless discharge of social obligations that might have been handled by one of Grover Whalen's assistants.

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The Reporter

A FORTNIGHTLY OF FACTS AND IDEAS

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in this issue . .

Several of our writers have again been hampered by the possibility of sudden twists and turns at Kaesong before this issue reaches our readers. Although the author of our lead article says he is writing "in a darkened cellar at midnight," we believe that the military and political hazards described in the first two articles will continue to face us regardless of the final outcome of the truce negotiations.

S. L. A. Marshall, military analyst for the Detroit *News*, returned from Korea early this year. . . . **Thomas J. Hamilton** is chief U. N. correspondent of the New York *Times*. . . . **John B. Spore** is Associate Editor of the *Combat Forces Journal*. . . . **Philip M. Stern** is an assistant to Senator Paul Douglas. . . . **Isaac Deutscher,** a frequent contributor to *The Reporter*, wrote *Stalin: A Political Biography*. . . . **Henry Mannering** is the pseudonym of an expert on foreign relations who recently returned from Yugoslavia. . . . **Herbert L. Matthews,** veteran foreign correspondent for the New York *Times*, is now on that paper's editorial staff in New York. . . . **William S. Fairfield** writes frequently for this magazine from Washington. . . . **John Thomason,** a former South Carolina journalist, is now doing public relations work in Washington. . . . **Ruthven Todd,** a British poet and critic, now lives in New York. . . . **John Rosselli** is studying at Cambridge. . . . **Ray Bradbury** is the author of *The Martian Chronicles* and *The Illustrated Man*. Cover by **John Richard McDermott;** inside cover photographs from **British Information Service, Yugoslav Information Center,** and **Black Star.**

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CORRESPONDENCE

FRYING PAN TO FIRE

To the Editor: Congratulations on a fine job (by James Colwell in the June 12 issue) of debunking the great myth of the "suppression" of the Wedemeyer report. Mr. Colwell has done a masterful job of digesting the report which I red-facedly find was available all the time.

But one paragraph arrested me: "Students . . . have been severely and at times brutally punished by National Government agents without pretense of trial or public evidence of the sedition charged." Indeed! How thankful the students must be that they are now at the tender mercies of the peoples' courts in the paradise that is the People's Republic of China. I'll bet the counter-revolutionaries are now executed without public evidence of the sedition charged either.

RALPH JOHNSON
Minneapolis

FROM FINLAND

To the Editor: I am in Finland and do not know your address but I'm risking the wrath of the Post Office Department to send this letter on the day when I learned the truth about a statement in a recent *Reporter*.

Please tell your writer who spoke of "Kekkoslovakia" that the term is three years old and is not used now. It was a common, bitter expression in 1948. I know that the facts of the Finns' trade with Russia are true. They at least are honest about it, and no Marshall Plan materials go through Finland to Russia, as they do through their neighbors. The Finns live next door to Russia and they may have found the way to get along with the Kremlin and still remain free.

A Swiss businessman has just spent two months here and he says that of all the countries involved in the war, Finland is in the best condition, because the Finns *work!* Remember that Finland has had no outside help (yes, some dollars from the Export-Import Bank to repair power plants, but it will be repaid, every cent of it), and that Finland has had a terrific reparations bill to pay to Russia. Per capita, it is the heaviest bill laid on any people in the history of war and peace, and it's almost paid. September, 1952, is the last payment.

Maybe I should, in fairness to you, tell the source of my information. I am an American public-school teacher who in 1947 became vitally interested in Finland and the Finns. I spent the summers of 1948 and 1949 here and am here again in 1951. Naturally your article "Finland—Another Czechoslovakia?" interested me. I had been told that your magazine is the most trustworthy on the market today, so I worried a bit about that Kekkoslovakia idea. Today I asked a banker, a factory manager, an architect, and a housewife about that expression and I have given you their answer. From personal experience I know that the Finns are pulling themselves up by their bootstraps, and when American money is shut off from many other countries Finland will be economically sound.

I have argued bitterly (yes, I've been angry) with *Time* magazine. For years they have colored Finland as a Communist-controlled country whenever they printed a map of Europe. This spring, since my letters didn't change them, I sent them every map the New York *Times* printed of Europe, and of course there Finland was always colored free. At last, in the June 2 issue, *Time* saved a little red ink and colored Finland free! One of the leading men in the Parliament here is a close friend and all my friends here are wide-awake, intelligent people. Anyway, an American can't get into and out of a Communist country as easily as I get into and out of Finland.

ISABEL FOYE
Keurun, Finland

REDS AND BEDS

To the Editor: Do you and your cartoonists look under the bed for Stalin every night?

One might infer as much from your cartoons suggesting that it is Moscow which has driven the Persians to nationalize their oil. America flatters Stalin by imagining him to be as omnipotent and clever as he would like to be.

ROBERT WILLIAMSON
Henfield, Sussex
England

'WOW!'

To the Editor: Wow! Not only do you discredit MacArthur in a low manner in the May 29 issue of *The Reporter*, but in the July 10 issue you praise Marshall and his China mission in "The Reporter's Notes."

Well, anyone can see that the future will have to decide the MacArthur squabble, but as for praising Marshall's trip to China, you should have printed it in the red blood of our Korean casualties. Any person with common horse sense should have known that the Chinese Nationalists and the Chinese Communists are not merely political parties as are our Democrats and Republicans. An attempt to form a coalition government between the two is about as senseless as trying to unite India and Pakistan.

Before Marshall's mission, almost all of China was Nationalist, except for Manchuria, which the great patriot, President F. D. Roosevelt, handed to the Russians. According to Major General Chennault's *Way of a Fighter*, the Chinese Nationalists who were guarding the passes from Manchuria to China were forced to lay down their arms by Marshall's plan, and the Communists were allowed to cross over safely, bringing with them their weapons and China's inevitable domination by the Reds.

SHELDON M. LITT
Washington

THE MARINES TELL *US*

To the Editor: I found John B. Spore's article "The Marines: Force in Readiness" most interesting, and I take this opportunity to assure you and your reading public that the Marine Corps will be tireless in its efforts to maintain its traditional condition of readiness.

To do less would be to break faith with the American people whose high regard we enjoy and whose confidence we value highly.

GENERAL C. B. CATES
Commandant of the Marine Corps

To the Editor: I hope that you will extend to John Spore my compliments for a good job. We in this division naturally were interested in the observations that our public-relations organization is inadequate, and I feel that this article will encourage us to re-evaluate our work. As you may know, we are a small organization, and I am afraid we sometimes are inclined to attribute our deficiencies to our littleness. Articles like the one written by Spore help us to keep in mind our continued obligation to report for the American people the activities of their Marines.

BRIGADIER GENERAL J. C. MCQUEEN
Director of Public Information,
U.S. Marine Corps

MacARTHUR'S MISTAKES

To the Editor: The MacArthur articles were fair. These are the facts: no liaison between the armies on the east coast and the west coast of Korea—the nearest command post being Tokyo seven hundred miles away—and the poorest of intelligence. Result—almost a Korean Dunkirk.

Ridgway is sent over to take command of a bedraggled, demoralized, and beaten U.N. army—made it a swell fighting unit. Result—now offers of cease-fire and perhaps eventual peace.

B. L. BUCKLEY
Philadelphia

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The Reporter

A FORTNIGHTLY OF FACTS AND IDEAS

AUGUST 7, 1951

Korea—New Hazards Ahead:

1. The Reefs of Strategy

S. L. A. MARSHALL

This article is written primarily from a military viewpoint. The political and economic situation in South Korea lies outside its scope. In an early issue, The Reporter *will publish a dispatch on the internal affairs of South Korea.*

THOUGH, because of the time element, this is written in a darkened cellar at midnight, there are a few points to be made on the Kaesong conference which should hold good whether or not the immediate result is a cease-fire.

The preliminaries weren't propitious. That can be said fairly, without discounting the off-chance that all Communists have suddenly fallen in love with peace. It takes into account only developments on our home front.

The gallant recovery of the Eighth Army notwithstanding, our delegation went to Kaesong on the short end of the bargaining. Some doubt attended the question of whether Peking was moved by a desire to end the fighting; there was none whatever about the urgency of the hope in Washington.

On balance, our military position was hardly any better. True enough, the initial North Korean aggression had been thwarted. But the Chinese aggression which followed it, in outright warfare against the U.N., had achieved its initial military object—keeping us a long way from the Yalu.

Of these bedrock realities, however, there was scarcely any cognizance in American public reaction to the early proceedings.

It was perhaps symptomatic of our main ailment that even before the Admiral's helicopter had descended into the enemy camp at Kaesong, we had already begun worrying around the wrong set of considerations.

The main questions here at home were centered in what the Russians and Chinese really had up their sleeves, and whether the bid was on the level or concealed another dirty Communist trick. There was no need to be so skeptical; the question wasn't whether there was a trick, but which trick.

On the other hand, there was little interest in the problem of our future relations with the Republic of Korea. If, with the possibility of a radical change in the situation, we were to begin thinking about how ultimately to resolve our difficulties in that area with honor to ourselves, helpfulness to the free Koreans, and relief from continuing commitments, there was no reflection of it in press and radio comment or in any marked sentiment within the Congress.

Nailing Cranberry Jelly

That was why the preliminaries at Kaesong did not look very hopeful, though the initial responses from enemy field commanders had been somewhat less chilling than expected. The detailed story of our Korean experience during the past six years scarcely needs repeating. In power politics it serves no final end to be just a little bit in earnest, to stay half-committed but unready, to keep a toe in the door while attempting to back away, to play at spoiling another's game without determining upon one's own. But that was us.

If there was room for doubt that Kaesong would produce a genuine cease-fire, there was even less reason for confidence that it would mean an end to muddling.

The problem given the military negotiators was intricate as to arrangements, if sharply defined as to limits. They could negotiate only the local

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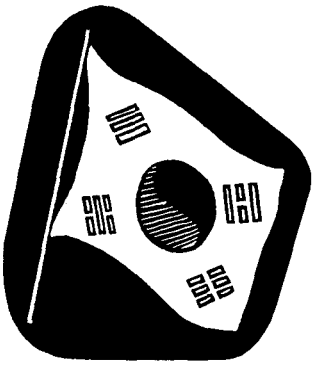


and military terms by which the contending forces, already within the Korean Peninsula could come to rest on their arms, without fresh field advantage to either side and with reasonable promise that the power balance between the two sides would be approximately maintained. This excluded all issues of a political nature.

Why Washington chose to approach the Chinese through the field commander is an open secret. The only alternative was to proceed through the United Nations. There were not unwarranted fears that if this route was taken, a roadblock would be formed by individuals queueing up in a bid for the Nobel Peace Prize, and the snows would fly again before we could sit down with the Chinese. The battlefield approach was good *only* provided that the spirit of urgency was accompanied by thoroughness and by a clear understanding on the part of our military commanders of the ultimate program by which our policymakers proposed to stabilize the peace in Korea. Short of that, it was just another exercise in nailing cranberry jelly against the wall.

Our field messages to the Chinese and North Koreans reiterated the narrow limits within which the U.N. military delegation would treat. The enemy answers did not acknowledge these limits specifically, but the failure to object was taken as a sign of agreement.

'Sitz' War?

Then, right after the conference opened, it hung fire on the issue of the phasing out of foreign forces from Korea. From the enemy viewpoint, this was a "military" question, since it concerned only retrograde troop movements. But the U.N. party had to call it a "political" problem, since the hard facts of the situation permitted no alternative.

Superficially, this was because of the instructions under which the delegation went to Kaesong. Agreement on the phasing out of troops would be tantamount to U.N. withdrawal of active interest in supporting the Korean Republic. But the real obstacle was that in the course of the war we had neglected to build defensive soundness into the ROK military establishment, and there was no way of saying when the allied forces could safely be withdrawn.

Our objects at Kaesong were by nature a paradox. Participating because of a national desire to withdraw from Korea as quickly as possible, we had to buck enemy proposals for withdrawal. Fearing above all the consequences of a prolonged static situation, we had to open the door to a "sitz" war.

For there, in the view of military men on the inside, was the most threatening stratagem within the enemy capabilities. A sitting Chinese Army may not sound like a great menace. But it can become such if we are not prepared to outsit it.

As the Kaesong conference began, this was the possibility which haunted our General Staff more than all else. Compared to it, the risk that the enemy might use a "peace" posture to dissemble a military build-up which could be loosed upon South Korea at his convenience when we had gone off guard was relatively slight.

Terms could be required which would preclude a main surprise. Their essence would be mutual arrangements for inspection and control at ports, interior air bases, and entry points along the northern frontier of Korea. This would not be foolproof but it could be made good enough. Korea, though about the area of Kansas, is sea-bound on three sides, and the few passages on the landward frontier are defiles. Small bodies of troops could always be slipped through. Small arms and ammunition could be moved in as contraband with the medicine, food, and other supplies needed to sustain the Communist army. But as long as the gate could be locked against heavy weapons—armor and artillery, chiefly —the Chinese and North Koreans would not be decisively advantaged.

Thus the problem—*if* the main threat lay in an ultimate resumption of the fighting.

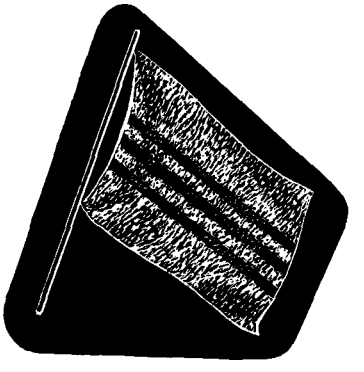
Against a sitzkrieg there was no such possibility of a safeguard. At Kaesong the Chinese might agree to end the fire fight. Thereafter the "volunteer" army in North Korea would simply squat on the land and wait. Its leaders and the Peking government would remain deaf to any pleas for further negotiations, or, Russian fashion, attend meetings and do nothing. No scrap of paper signed at Kaesong could compel them to modify such an attitude. We could not change it by direct military pressure without committing an aggression.

Beans and Rice

It is an intriguing, if alarming, possibility, and the circumstances would appear to favor it. North Korea does not have enough fighting power to order it otherwise; having invited the Chinese in, the North Korean leaders are in no position to order them out. China is short of food, and Peking is hard pressed to keep its fighting forces fed. The little farms of North Korea are still flourishing. They raise enough rice, beans, and squash to sustain the men who came to dinner.

As for the political objects, near and far, in such a waiting game, the most obvious one is outsitting the U.N. forces until Communism can physically take over the whole of Korea, or alternately, compelling the West to continue a deployment which it can ill afford.

The possible more remote object—one that Peking would hardly breathe to itself at the present juncture—is that Korea could become a profitable appendage to Manchuria. Squatters' rights enter into the altering of national frontiers, as is proved by the history of Russian-Romanian border changes since the First World War. The hour



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might come when China could get away with it because the United States was occupied elsewhere.

No one in the United States, or in the U.N., wants a ten- or twenty-year sit in Korea. The idea of glowering at the Chinese for a generation or so is as repugnant to common sense as to engage them endlessly in a stalemated war. The alternative is to prepare to get out, decently and in order. There is no other way to do that than to proceed now toward what we should have been doing from the day XXIV Corps shipped to Korea—provide the ROK with the foundations of a security reasonably equal to guarding itself against an average opponent.

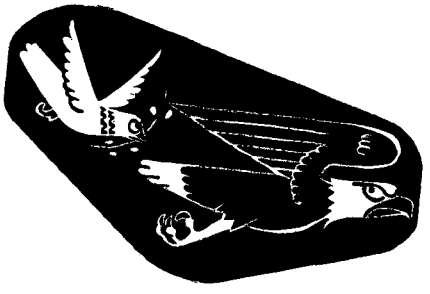
But no more than that. It is vain to think of building Korea into a military bulwark against its powerful Communist neighbors in Asia. If they are determined to have it some day, it will go down, and friendly intervention cannot continue to save it.

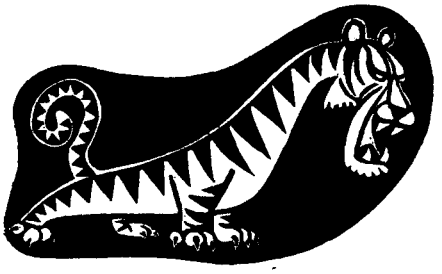
Because of the implication that whatever base is put under the ROK is likely to be unavailing against the main threat to its survival, the whole case might seem hopeless, and it could be argued that any further arms aid there is strength wasted.

No final answer is to be found in cold logic. But national honor requires nothing less of us. We brought this small nation to life. We encouraged its people to make their fateful stand against Communism. In the course of the war they have lost more than all other states combined.

Artillery, Then Armor

Besides, as the poet expressed it, "if hopes are dupes, fears may be liars." The world as we today witness it is a constant shifting of power balances, marked by the rise of new pressure points. Aggressors like the easy mark. The small state looks inviting only when its armor is manifestly so weak that it cannot return solid blows. By





some change which cannot be foreseen, the heat might be taken off for years ahead; but that is more likely to happen if South Korea is ready to fight.

To consider, then, the armament problem as if the peninsula were in a political vacuum, the ROK needs about six solid divisions, and a few additional battalions of armor and artillery at army level, before its position can be deemed reasonably sound.

Korea has the manpower, but it has little else. The division structure is too small for modern warfare. It should be raised from ten thousand to about 12,500 men, which is practical maneuver size for the terrain.

The lack, first, of artillery and, second, of armor is the fatal weakness in the existing Korean establishment. It is not that ROK heavy weapons are obsolete; they are nonexistent. Only two ROK divisions have been supplied with organic artillery during this past year of fighting, and they, in contrast with the others, have given a sterling account of themselves in battle.

The raising of approximately twelve to fifteen additional battalions of artillery would mean the difference between an ROK unprepared to hold ground and a modern army fit to fight. Artillery build-up is not merely the beginning of a reconstructed establishment; it is the main substance.

Until the artillery reform is instituted, it is pointless to think of additional weapons requirements. The ROK would also need a minimum of three to four tank battalions—all heavy stuff, since light armor has limited use in defile country—to give it sufficient fire mobility for the protection of its corridors. But armor is a waste of metal in defense unless it can deploy from a sound artillery base.

"But we have no surplus guns." This is the form answer whenever the problem is given staff study. Maybe we have overreached for the moment, and the reserves in Cosmolene must be held intact. But to accept any such answer as final would mean only that our own fighting force is shy on imagination.

One battery can be trained around one gun. Conditioning ROK fighters to the feel and use of artillery is the No. 1 problem. By the time they are built into an efficient artillery-training cadre, we may have a few spare cannon on our hands.

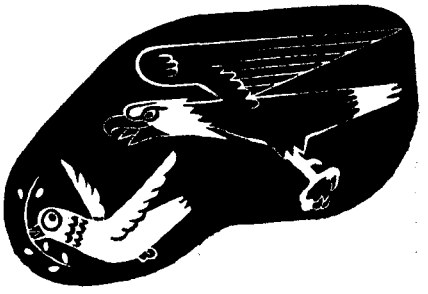
But we'll never reach first base if we can't will the start. Suppose that the problem had been anticipated last autumn, when it looked as if the war might soon be concluded. Had we sent only four or five additional headquarters batteries to Korea, and then expanded them into battalions which would be used as training cadres, the main ROK military problem would now be well on its way to solution.

The Wrong Desk

That is a foreseeable dividend from a long occupational wait which would probably follow any cease-fire in Korea, whether at Kaesong or later. We would be given a main chance to do something worthwhile for the ROK forces. The Eighth Army is a unified command. There are ROK soldiers in our own regiments. Any stricture imposed by the enemy that would prevent the rotating of South Koreans in and out of our installation for training should therefore be wholly unacceptable.

Early in the war the State Department launched a paper saying that it should be a prime object for the United States in the course of the fighting to build up the military strength of the ROK Army. The Joint Chiefs of Staff considered and concurred. The paper went forth. Nothing happened.

This shortcoming was not due wholly to the pressures of the fighting. Somewhere it hit the wrong desk, from where it bounced to the right pigeonhole. Perhaps the first direct step is to unpigeonhole it.



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2. The Shoals of Politics

THOMAS J. HAMILTON

In conducting the armistice negotiations in Korea the United States has been playing its own hand, or more exactly, has held full powers, as agent of the United Nations in Korea, to do whatever it decided was best for the common cause. The United States has needed no authorization from any U.N. agencies to initiate or suspend the armistice negotiations, and in theory, at least, it could at any time have withdrawn U.N. forces from the peninsula outright.

All of which reflects the fact that without American leadership the United Nations would have contented itself a year ago with passing a reproachful resolution or two on the North Korean aggression. Washington, not the U.N.'s seventeen-odd-acre enclave in New York, has been the place where the big decisions about Korea have been made; the committee of sixteen, composed of the U.N. members that have actually sent men to fight, meets at the State Department, not the U.N. Building.

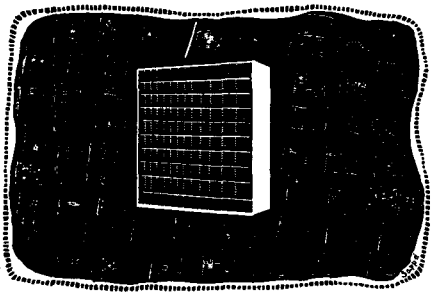
Two Sets of Forces

From the point of view of the United Nations this is a regrettable, if natural, development, for it gives the impression that there are two sets of forces fighting the Communists in Korea—the United States, on the one hand, and, on the other, the fifteen nations that (largely at American persuasion) have also been willing to shed blood in the first attempt by an international organization to stop aggression with armed force. Korea, of course, was and is a vital American interest, even if Secretary of State Acheson did omit to include it in the Pacific defense area which we were committed to defend. Quite apart from anything else, the fact that the United States obtained United Nations authorization to defend South Korea has been of inestimable moral value to our cause, but the limited help provided by other members raises the question whether the United Nations would do very much about stopping an aggression elsewhere if the United States was not able to play a similar leading role.

A majority of the members of the United Nations will probably look to the United States for guidance in settling the questions of Korea's permanent government, the future of Formosa, and of China's representation in the U.N. Unlike military operations, however, these decisions cannot be monopolized by the United States, and the task of finding solutions acceptable both to Congress and to the majority in the U.N. is far from an enviable one.

American opinion at present will not forgive any action that can be branded "appeasement." Anti-Administration leaders have grumbled about the decision to initiate armistice negotiations, but they didn't risk opposing the decision outright. With the 1952 Presidential campaign already under way, however, they will feel safe in opening up on the political questions, and some U.N. delegates do not expect any kind of coherent American policy on these issues until after the election. That, of course, is a long way off, and meanwhile there is the grave danger that the estrangement between the United States and Britain on the Chinese questions will reappear.

The immediate problem for the U.N. is to decide whether to press for a single democratic all-Korean government, or to accept partition at the 38th parallel. Realistically, there is little reason to hope that U.N. discussions will be enough to unify Korea once an armistice restores the status quo ante bellum. The Palestine war showed that frontiers tend to be fixed by armistice agreement. It could be argued that the United Nations, which has so frequently called for a single democratic government, should admit no compromise. Quite apart from legal considerations, many Americans will be asking what the war was for if the United Nations accepts the partition of Korea. Delegates who advocate a return to the prewar status quo insist that the Security Council resolution of June 27, 1950, which authorized and recommended the use of United Nations armed forces, stated that their mission was to repel the aggressor and restore peace and security in the area, and certainly did not say that their mission was to unify Korea. To be sure, the word "area" is subject to a variety of interpretations. Mr. Acheson has refrained from saying what it means to him, but the word appears to be compatible with an armistice at the 38th parallel.



Aims—Peace and War

The aim of a single democratic government for all Korea was fixed by the General Assembly, not the Security Council, in a series of resolutions starting in 1947 and culminating in the resolution of October, 1950, which, in opaque language, gave General MacArthur the go-ahead to cross the parallel. Now General Assembly resolutions are not legally binding upon members of the United Nations or anybody else, as witness the Assembly's resolution calling for the establishment of the Jerusalem area as

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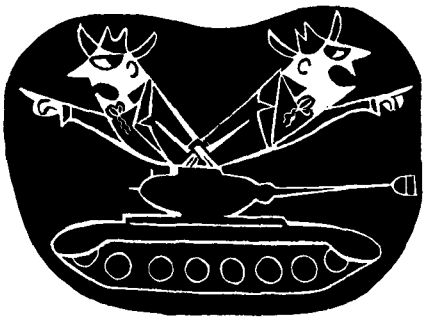


an international enclave. This was adopted after the armistice agreement between Israel and Jordan splitting the area between them, and has remained a dead letter. The Soviet Union, of course, refused to allow a United Nations commission to sponsor elections in North Korea, despite the fact that the commission was set up by the Assembly, and the U.S.S.R. presumably has not changed its mind.

It is probable that the Jerusalem precedent will be repeated if the Assembly itself seeks to determine the permanent status of Korea. If, however, the question should be placed before an international conference called by the Assembly, there would probably be a more realistic—or more cowardly—decision, ratifying the partition. The possibility remains, of course, that the Communists may now feel that all-Korea elections would give them a victory, and in that case they may reverse themselves and favor a united Korea.

Relief and Elections

Such Soviet hopes presumably would be based on the fact that the Syngman Rhee régime, according to United Nations delegates who have watched it operate on the spot, is certainly not a perfect one. More important is the resentment against it and its United Nations defenders resulting from the extremely heavy destruction of life and property during the war. Last fall, when the success of the Inchon landing made it appear that United Nations forces would succeed in taking over North Korea almost immediately, some far-seeing delegates insisted that elections be postponed for a year or more to give the United Nations relief agency time to get Korea's economy going again. Such action would appear desirable even if the Republic of Korea is merely to retain its previous territory, and would be absolutely essential if it is to extend its jurisdiction over part or all of North Korea.

The first year's budget of U.N. relief expenditures in Korea calls for $250 million. Although this sum was fixed amid the optimism after the Inchon landing, it was based on the expectation that the U.N. relief agency would operate solely in South Korea. So far it is operating scarcely at all, and the needs of the civilian population behind the United Nations lines, including refugees from North Korea, are being met by the U.S. Army. If UNRRA's experience is any guide, the Army would keep at it for quite a while after an armistice was signed.

The Formosa Question

Also involved in the permanent settlement in Korea are the Assembly resolutions condemning Communist China as an aggressor and recommending an arms embargo against both the Peking government and North Korea. It is unlikely that any serious effort will be made to take these off the books until after a decision is reached on the status of Korea. They are important, however, because they have a close connection with the question of whether representatives of Communist China should be allowed to replace those of the Nationalist government in U.N. bodies.

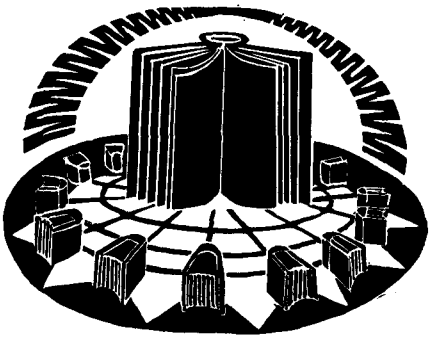
Seventeen of the sixty members of the United Nations had recognized the Peking government before its intervention in Korea. After the intervention they dropped their attempt to oust the Nationalist representatives, but the attempt will certainly be revived after a permanent settlement in Korea, and possibly even after a cease-fire.

It seems clear that but for the opposition of the United States the Communist representatives would, in fact, have been admitted before the intervention in Korea, and the opinion is growing among other delegates that their exclusion played into the Soviet Union's hands by giving Peking no alternative but to adhere closely to Moscow. Whatever happens there is not much chance of the Communists being admitted to the Security Council before the American elections next year. For the present, at least, American opinion would not permit the United States to acquiesce, and under this pressure the United States has made a significant change in its policy regarding the use of the veto in such questions. Our position before the Korean War began was that we would vote against their admission, but that this should not be regarded as a veto. However, Mr. Acheson announced during the Russell hearings that if a majority voted in favor of admission, the United States would ask the International Court of Justice whether a veto was permissible—the implication being that if the court said yes, the United States would go ahead and use the veto.

There is no veto, however, in the General Assembly, and if Communist China doesn't resume fighting in Korea its representatives have a fair chance of being seated at the 1951 session of the General Assembly, which will convene in Paris on November 6. This in turn would have a close bearing on the Formosa question, which the Assembly has put on the shelf, but which will surely come up again in Paris. By that time the peace treaty with Japan, whereby Japan renounces its claims to Formosa but does not say who shall have it, will have been signed (though not by either government of China).

If Communist representatives are admitted to the Assembly, they will, of course, demand the island. Here again the United States could not acquiesce, and the chances are that the Assembly would either content itself with sending out a commission to investigate, or at most would approve a United Nations trusteeship for Formosa, to be administered by the United States.

The latter solution is favored by many delegates, but since it would probably involve the virtual end of the Nationalist government, it would of course become election dynamite in the United States.



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Men for the Services

The Pentagon's manpower plans, requirements, and problems remain the same no matter what happens in Korea

JOHN B. SPORE

TRUCE or no truce, a sizable U.S. ground force will have to stay on for months in Korea; stripping the peninsula of an effective defending army would constitute a loud Iron-Curtain call for an encore to the performance of June 25, 1950.

In the case of a cease-fire there would be no more need for replacements for battle casualties, of course, but the increase in the number of men who "rotate" home might well aggravate the Army's manpower problem in that theater.

Actually, all four services' manpower requirements are highly uncertain. All are presently close to their authorized strengths, yet the Army and Air Force are both speaking of the need for more combat units.

As early as last February, General J. Lawton Collins, Army Chief of Staff, spoke of the possibility of federalizing three more National Guard divisions, and he has returned to the subject several times since then. Staff officers in the Pentagon say that the project has not gone beyond the talk stage because Collins has insisted that training facilities, weapons, and equipment must be available for the divisions before they are ordered into active service.

The dispatch of the 2nd Armored Division to Europe in July and the projected dispatch of the 28th and 43rd Divisions this fall should release training facilities adequate for two or three additional divisions. Defense Mobilizer Charles E. Wilson's recent report suggests that production of weapons and equipment will before long be great enough to assure our meeting the overseas requirements of our forces and our allies, plus equipping new units called up for training.

No Soldiers from UMTS

The manpower situation is complicated by the new draft law. In it, Congress approved Universal Military Training and Service in principle, but didn't put it into effect. Instead, it ordered the creation of a commission to work out details of the program and report back within four months. At that time, Congress may or may not approve UMTS. Even if it does, the program will have the effect of creating a new demand for manpower to staff the National Security Training Corps needed to give the candidates six months' training.

Under the projected UMTS plan, the men will be required upon completing their training to serve seven and a half years in the National Guard or Organized Reserve Corps. UMTS will not produce a single man for the active forces, except those trainees who may volunteer for regular enlistment. Anyway, interest in UMTS is academic right now. It may become of current importance if Congress approves the report of the commission and authorizes the program. If the legislative history of universal training in this country is any criterion, a functioning UMTS corps is a long way off.

The Reservist Dilemma

The Selective Service portions of the new law require the drafting of men between eighteen and a half and

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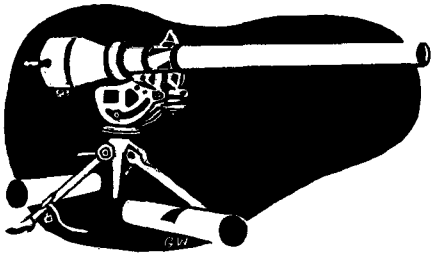
twenty-six for twenty-four months. There are manpower experts who maintain that the pool of men in this age bracket is not sufficient to keep a military establishment of 3.5 million men up to strength unless the period of service is lengthened.

If this is so, it obviously means that more reservists must be called to active duty. But this solution runs counter to the policy of Defense Secretary George C. Marshall and Mrs. Anna Rosenberg, the Defense Department's manpower expert, who are insisting that the services release the non-volunteer inactive reservists who were called up during the past year. The Defense Department prefers that inactive reservists be released after seventeen months' service.

More National Guardsmen could be called up, but the Army is reluctant to make piecemeal calls on the Guard. Large Guard units may be asked to replace Guardsmen when they complete two years of service, but this eventuality will not become critical for another year because the first Guard units were federalized by last September. Since the National Guard constitutes the Army's largest reserve force and has the added virtue of being organized into combat units (however ill-trained and underequipped), the Army doesn't want to weaken it by calling up individuals or fractions of organized divisions and combat teams.

No matter what happens in Korea, the Army's manpower requirements are not going to become noticeably smaller, and a manpower crisis in the coming months is by no means out of the question. The announcement that the Marine Corps would draft men this fall is indicative of the trend toward a tightened military-manpower situation. Until now, the Corps has wanted only volunteers.

The manpower situation could also be made worse by the Air Force's expansion plans. At present the Air Force is authorized ninety-five groups.



It may ask for authority to go up to 150 or more. However, the manpower requirements of the additional groups may not be the controlling factor in the decision. More important may be the prospective air-power contributions of Great Britain and the other Atlantic pact nations and the types of groups the Air Force proposes to organize.

A substantial increase in the number of heavy-bombardment groups for the Strategic Air Force might well lead to a strong difference of opinion when the proposal gets to the Joint Chiefs of Staff. On the basis of its Korean experience, the Army is insisting that the Air Force increase the number and quality of the fighter squadrons used for the air support of its divisions. The Air Force, although quite conscious that Korea did not permit a test of its strategic-bombardment theories, still believes in them most strongly and is set on increasing its force of heavy bombers.

Whatever the outcome of the Korean cease-fire talks, the Joint Chiefs of Staff will proceed with their over-all plans to make the United States secure and to give western Europe a respectable military posture. Those are the overriding goals, and *limited* police actions in Korea or anywhere else along the Communist periphery are not likely to have very much effect on them.

The Danger

In any case, the real danger, if the guns grow silent in Korea's tortured hills and valleys, is that the American people will let down their guard. The authoritative *Armed Force* weekly recently observed that while the American forces "are vastly stronger, and superior to those of a year ago . . . the real question mark lies in whether the rate of improvement will be maintained by public, legislative and administrative support—or whether the tragic mistakes of 1945-46 will be repeated in a nightmarish 'flashback' of demobilization and disaster."

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Change in Charley

Mobilization Director Wilson's recent speech indicates a sharp shift in his thinking

CLAIRE NEIKIND

In the seven months that Charles E. Wilson has served as Mobilization Director, he has moved forward, as an aide has said, by "broad-jumping from the edge of one open manhole to the edge of another." His decision to come up fighting for the Administration's economic-controls program has now brought him to the most formidable hazard he has faced yet. Many leaders of industry, who have been his main source of strength, are turning against him. The N.A.M. publicly accuses him of becoming a "prisoner" of the "New Deal career men" in the White House, and a number of his old colleagues privately agree. "Charley is a wonderful guy," one has said, "but it looks like those characters have got him."

There are two possible explanations for these sudden and virulent attacks. One is that from the businessman's standpoint Wilson has indeed gone over to the enemy, and is no longer a champion of free enterprise. The other is that no one in Wilson's position today, no matter how orthodox his views, could keep the support of most big businessmen without abdicating responsibility as chief defense mobilizer. There is some truth in both explanations.

The Educational Process

The present Wilson is certainly not the same man who came to Washington last December. That man had supreme confidence in his industrial experience and common sense, his thousands of friends in the business community, and his habit, as president of General Electric, of commanding unqualified obedience from subordinates. He regarded his new job largely as a problem in production. A little more complex than G.E., perhaps, but essentially along the same lines. His relations with the President were warm. Toward the Administration as a whole, however, he was cool: He was a Republican with a distrust of all bureaucrats.

While he had severed all relations with G.E., he reflected the average big industrialist's attitude toward mobilization, as his former associates expected him to do; and, naturally, he surrounded himself with men who saw eye to eye with him—men like William Harrison, Lucius Clay, and Sidney Weinberg. He started out by running his office like a state within a state: He spoke to Mr. Truman practically as one chief executive to another, but had very little to do with the White House staff, and almost nothing to do with Congress. He was, as he frequently said, "above politics."

In the last few months, his attitudes have gradually changed. He has discovered, for one thing, that the mobilization program is indescribably more complex than any production job; that it involves economics, politics and geopolitics, international diplomacy, military science, and group psychology; and that, in a job of this nature, a good government bureaucrat can sometimes be worth several competent businessmen. He is learning to use good bureaucrats and to become one.

The transition has been painful, and it is by no means complete. But the change is perceptible. Wilson's old circle of advisers is gone. Among the missing are Harrison, Clay, and Weinberg. So are Howard Chase, who handled public relations in the ODM as he had handled them for General Foods, and General Counsel Herbert Bergson, whom Wilson had relied on more closely than anyone else for guidance.

New Lieutenants

In their place are several men with long government experience. Not one of them could be called an authentic New Dealer, or even a reasonably good imitation. The closest to that image, perhaps, is Leon Keyserling, Chairman of the President's Council of Economic Advisers, whom Wilson now works with far more closely than he would have before. Keyserling's economic theories, however, are nearer to many businessmen's than businessmen might suspect; he is a great enthusiast for increased production, for example, and did not accept the idea of emergency economic controls for the mobilization program until several months after war broke out in Korea.

Aside from Keyserling, the new men around Wilson are largely the caliber of Charles Stauffacher, the ODM's new staff director, who has been in the Bureau of the Budget for years. Stauffacher is neither an ideologist nor a fuzzy idealist; he is a thoroughly trained public servant who knows his way around the White House and Capitol Hill.

Through their eyes, Wilson is be-

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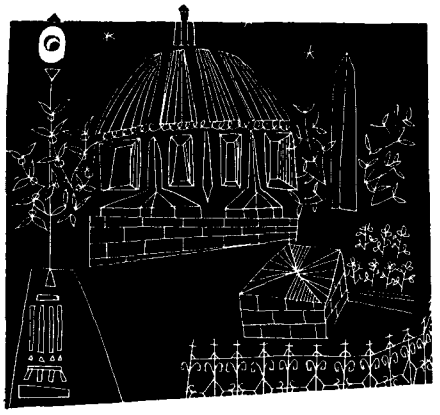
ginning to see the network of implications around his every decision. He is also coming to understand the value of careful staff work, and the absolutely indispensable need of meshing his own activities with those of the Administration. The machinery is still imperfect, but it is beginning to work.

Presumably, the N.A.M. had this, among other things, in mind when it called Wilson a captive of "the bright slide rule and figure boys who get up the charts, interpret the statistics, write the speeches and feed [him] the data on which [his] thinking is based." The point is valid: Wilson has been getting more charts, statistics, and data than he had before, and they are better. They are changing not only his attitude toward administrative policy but his political and economic views.

Wilson was extremely—and to the Administration, exasperatingly—slow in getting off the ground on the fight to extend the Defense Production Act. In the first place, he seems not to have realized that, as a man at Cabinet level, he had to share the responsibility of fighting actively for the mobilization program.

Underneath, however, the fact was that Wilson was extremely reluctant to accept the idea of emergency economic controls. When he finally did, it was only on the basis of keeping them strictly temporary, and even of projecting a dangerously oversimplified deadline—the two-year Wilson plan—after which they would be unqualifiedly pronounced dead. Having accepted this idea at last, he assumed that his former business colleagues would accept it as well. If he, with his sympathy for free enterprise, saw the need, he expected them to see it—and indeed, he probably believed he had only to tell them about it to get their assent.

He seems to have been genuinely astonished by the Senate vote on the Defense Production Act last month, and by the maneuvers of the industry lobbies that helped bring it about. When he suddenly saw the enormity of the impending catastrophe if the controls program should be gutted, he rose to battle. In his speeches over the last month, as a labor official has grudgingly admitted, he has been "fighting the good fight." And he has learned that where self-interest comes in the door, friendship flies out the window. In his attacks on the "pressure groups," he has not spared his friends, and they are not sparing him.



Wilson Hits Out

It was his speech on July 9 that finally drew blood. "I am shocked to learn," he said, "that, even before a truce has been arranged in the Korean War, there is a movement in some quarters to wreck the country's defense program. . . . There is talk of slashing our foreign-aid program, of cutting the tax bills, of depriving the Defense Department of funds it needs for armament, in addition to weakening inflation controls. . . . I am confident that Congress will not follow so dangerous a course. . . . When I took on the job as Director of Mobilization, the President and Congress gave me the tools to work with. I needed every one of them, and I still do. But I cannot work effectively with the handcuffs the pressure groups are forging for me now." A lot of the prose in that speech was polished by Wilson's staff writers; the words "handcuffs" and "pressure groups," however, were his own.

Directly afterward, the N.A.M. issued its "prisoner" communiqué, and the *Wall Street Journal* commented: "This . . . is a muddled and indiscriminate denial of the right of free opinion that verges on the brink of hysterics. . . . We are forced to conclude that Mr. Wilson's forte is administration of the defense effort in industry, not speechmaking."

There is some question about the extent to which the N.A.M., and even the *Wall Street Journal*, reflect businessmen's prevailing views. It is often said, for example, that the N.A.M. is run by a narrow, by no means representative, club of political-minded businessmen; and it is certainly true that there is as much diversity of viewpoints within the business world as there is between it and others.

The present case can only be judged by the public evidence, however. Throughout the Congressional hearings, not a single spokesman for industry supported the controls program; the only organization approaching support was the Ford Motor Company, and even its statement proposed amendments that would have emasculated the bill. It is rumored that General Motors is so outraged by the N.A.M.'s wildness in the whole matter that it has threatened to resign. It has not done so, however. Nor has a single industrialist come publicly to Wilson's defense since the N.A.M. opened its personal attack on him. To be sure, G.E. officials have been defending him in private; undoubtedly, however, they are motivated as much by their loyalty to their former boss as they are by concern for the country.

'What Do They Want?'

It was one of these G.E. officials who put the question that he said "any sane businessman" might ask about the N.A.M. declaration of war. "If they don't want Wilson," he said, "what do they want? It seems to me that Charley is trying to save them from themselves. I'm scared to death that some day he will blow up and leave, and if he does, our last bulwark in Washington is gone. These boys won't come to Washington to work with Wilson—they don't want to take the kicking around; and they won't let him work for them in their own best interests. I sometimes think they're going crazy. They hate Truman so that they're willing to bat anybody around the ears for supporting anything Truman wants. If they can't trust Wilson, who can they trust? My God, do they really believe Wilson is going Socialist? Wilson?"

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How Rollbacks Were Steamrollered

All the lawmakers who opposed them had good excuses; those who supported them needed a good quarterback

PHILIP M. STERN

As JULY wore on in Washington, to the oppression of the city's weather there began to be added the sense of oppression of Americans watching their future salaries melting under future price rises. Day after day in the House of Representatives, a conservative coalition whittled away at price controls. Its performance had been foreshadowed by that of the Senate, which tackled the same problem in the same way the month before.

For five weeks beginning May 7, the Senate Banking and Currency Committee heard ninety witnesses and took 2,784 pages of testimony on thirty Administration proposals to strengthen the Defense Production Act of 1950. Having thus labored, the committee brought forth what appeared to be a mouse; instead of thirty changes, the committee recommended three, one of which was a six-line provision entitled SECTION 2: LIMITATION ON ROLLBACKS.

To most Americans (and many Senators) the word "rollback" had been associated merely with beef cattle, which Price Director Michael DiSalle had wanted to bring down from their pinnacle price—151 per cent of parity—to save the housewife ten cents a pound for round steak.

Few realized at first that this six-line provision would also obliterate rollbacks that would have meant savings of billions of dollars on thousands of manufactured items, ranging from electric-light bulbs, stoves, and shoes to farm equipment, chemicals, and building materials. Probably few realized that it was this very inclusiveness of Section 2 that was later to bring it such overwhelming support on the floor of the United States Senate.

Prices do not move singly; they move in groups. The price of a suit depends upon the prices of wool suitings, which depend upon the price of raw wool. As Senator Irving Ives of New York has said, ". . . one man's price is another man's cost."

The Frozen High Jumper

Price relationships are constantly in motion, constantly in the process of adjustment and readjustment. Five Democratic members of the Banking and Currency Committee, in their written dissent on Section 2, pointed out, "Trying to freeze all prices on any given date is as impossible as trying to freeze a high jumper in midair."

The general price freeze of January 26 did just that. Coming after two tremendous "scare-buying" waves and after a futile month of "voluntary price restraint," during which some firms held their prices while others raced each other to the anticipated price freeze, January 26 not only caught prices in mid-air and in violent motion; it also caught them badly out of shape. Although the price of raw wool, for example, had jumped from $2.93 a pound last October to $3.90 in January, woolen suitings had only had time to advance from $4.75 to $5.24 a yard when the freeze hit and had to be brought up to $6.70 a yard by the Office of Price Stabilization in order to prevent mass bankruptcies among suiting manufacturers. Wholesale-price increases during 1950 ranged from four per cent in the case of coal and petroleum products, through nineteen per cent for shoes and fifty-eight per cent for hides and skins, to 134 per cent for crude rubber.

These were the distortions that OPS had to iron out of the economy. Basic to the task was the restoration of "normal" relationships among manufacturing prices, since these form the basis of wholesale and retail prices.

To accomplish this, OPS devised a formula using the month just prior to the Korean War as a base period, and according to which those manufacturers who had not had time to adjust their prices to rising costs when the January freeze hit would have been allowed price rises. But for those manufacturers whose prices had outstripped their cost increases and whose profit margins had thus widened, there would have been some price rollbacks. The formula did not mean that prices would have been rolled back to their pre-Korean *levels* but to their pre-Korean *relationships*—a vital distinction that perhaps was never properly clarified in the Senate debate.

The Consumers' $12 Billion

The price order embodying this formula was originally supposed to take effect May 28. When industry representatives contended this did not afford them enough time to prepare the necessary reports, OPS proposed to extend the date one month; but upon the advice that prices are more easily changed at the beginning of a week, OPS made the effective date Monday, July 2—two days after the expiration of the basic controls law—thus virtually inviting Congress to step in and kill the rollbacks.

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The most devasting effect of the prohibitions on rollbacks is that it permits only one method of ironing out the wrinkles that were frozen into the economy in January: an upward adjustment of prices until they are all brought into line on the highest level. To revert to the example of raw wool, the anti-rollback amendment precludes bringing down wool prices, even though they have doubled since Korea; it permits only the *upward* adjustment of suiting prices to match the high price of raw wool.

Economic Stabilizer Eric Johnston has announced his "guesstimate" that the aggregate effect of Section 2 will be a six per cent rise in the cost of living, with consumers footing a $12-billion bill. More precise OPS estimates indicate that in building materials alone a $1-billion annual saving to consumers will be wiped out, and savings of between $100 and $200 million in consumers' purchases of shoes will be canceled by the anti-rollback provision.

If Johnston's prediction materializes, the result is bound to be a drive for wage increases, and an upward revision of the Wage Stabilization Board's formula, which now automatically approves ten per cent increases over January, 1950, levels. WSB Chairman George W. Taylor has told the Banking Committee that his formula was based upon "preserving the standard of living of work" and that it would be constantly revised to reflect cost-of-living changes.

Section 2 would also prevent OPS from seeing to it that buyers of fabricated items receive the benefits of any drop in the prices of an ingredient raw material. For example, price ceilings on cotton textiles are based on forty-five-cent-per-pound cotton, although October cotton futures are currently at less than thirty-six cents. A sellers' market for cotton textiles would mean that the nine-cent difference would become a windfall to the textile manufacturer instead of to the consumer.

The practice of bringing down certain import prices through the use of domestic ceilings will also be ruled out by Section 2. U.S. ceilings had had a salutary effect on world markets. For example, when the ceiling price for domestic wool was set at thirty per cent below the world level, American importers could no longer pay the world price, and the Australian wool markets broke sharply.

The anti-rollback amendment was adopted by the Senate Banking Committee after only scant debate. If committee members were aware of these far-reaching effects, they did not impart all of their knowledge to their colleagues.

Of the fifty-odd amendments to the Defense Production Act proposed by Senators during the committee hearings and subsequent debate on the floor, many originated from such diverse sources as the Ford Motor Company, the American Retail Federation, and Americans for Democratic Action. Still others were revived from the 1946 fight to gut the OPA law.

Maybank's Motivation

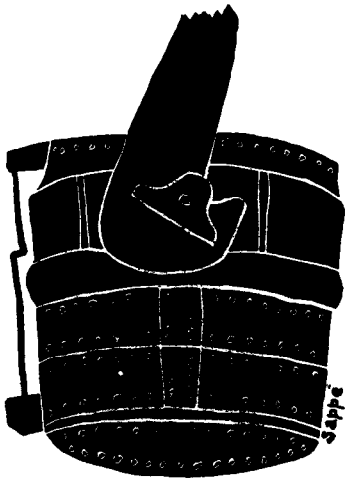
Section 2 has no such origin. It was conceived by Banking Committee Chairman Burnet Maybank of South Carolina and was drafted, at his instance, by lawyers from the office of the nonpartisan Senate Legislative Counsel.

The cotton economy of Maybank's home state has been notable for its volatile past and shadowy future. The basis of the cotton economy is always uncertain, and it was only natural for Maybank to worry about adding what he felt to be the constant threat of unlimited rollbacks to the inherent hazards of the trade.

Throughout the hearings and the Senate debate, Maybank expressed his concern over "the confusion [rollbacks and the possibility of future rollbacks] would cause to the business people of America." "There is fear in the minds of a lot of people," he said to Price Director DiSalle during the hearings, "that you may, after this new law passes, roll back the prices further than the so-called January freeze. . . . There are a lot of questions in the minds of people that this is the beginning of further rollbacks." Perhaps the real fear of Maybank and other Southern Senators is that when cotton prices fall from their present forty-five-cent level to thirty-six cents in October, OPS will revise textile ceilings to reflect the lower cost.

Chairman Maybank is a likable man of great energy, whose zeal played a large part in the remarkable sixty-day passage of the original controls legislation last year. The Administration's subsequent five-month delay in instituting a price freeze was a source of particular annoyance to him, and he felt that there had been ample time since the passage of the law to effect any necessary rollbacks.

The State of Virginia played a curious role in the adoption of anti-rollback provisions in both Houses of Congress. In the Senate committee, Section 2 was initially adopted by a 7-6 vote, with New York's Republican Senator Irving Ives casting an unexpected "yes" vote that brought upon him the editorial displeasure of the New York *Times*. When Ives reversed himself to move reconsideration two days later, conservative Democratic Senator A. Willis Robertson of Virginia, who had previously stuck to his position that the basic Act should be neither strengthened nor weakened, presently reversed *his* stand, in order to protect, as he said, the integrity of the com-



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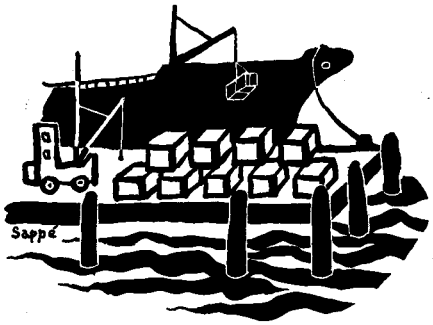


mittee's previous decision, and the vote remained 7-6. In the House committee, it was Representative John Kluczynski from Chicago's packing-house district who moved reconsideration of the 12-11 vote by which a milder rollback prohibition was adopted. This time another Virginian, Congressman Clarence Burton, reversed his previous stand and reconsideration lost by a tie vote, 12-12.

'Trojan Steer'

The long hours of Senate floor debate, which ended at 2 A.M. on June 28, brought revelations that would have been invaluable if the opponents of Section 2—both in and out of Congress—had known them before.

The debate showed, first of all, that the real issue behind Section 2 was not the beef rollback but the possible rollbacks for manufacturers. Senator Paul Douglas of Illinois clearly drew the line of debate by offering an amendment "to enable the cattle interests and the consumer interests to march together in unity" by preventing the two future rollbacks of beef-cattle prices while permitting limited rollbacks on manufactured items. Only four cattle Senators—Hayden and McFarland of Arizona (the latter the Democratic floor leader), O'Mahoney of Wyoming, and Johnson of Texas—were persuaded to march with the consumers. Three Senators—Guy Gillette of Iowa, Robert Hendrickson of New Jersey, and Leverett Saltonstall of Massachusetts—who had previously voted to preserve all rollbacks, both on manufactured items and on beef, now reversed their stand on this compromise amendment. Twenty states, ranging from California to Virginia and from Mississippi to Wisconsin, cast both their Senatorial votes against the Douglas amendment. It lost, 26-58.

Because of its inclusiveness, Section 2 did not have to depend solely upon the Cattle States, the Tobacco States, or the Cotton States; it found support among Senators from every section of the United States. Senator Douglas characterized Section 2 as the "Trojan steer" amendment, since the interests of the manufacturers appeared to him to be hidden from the public in the body of a steer.

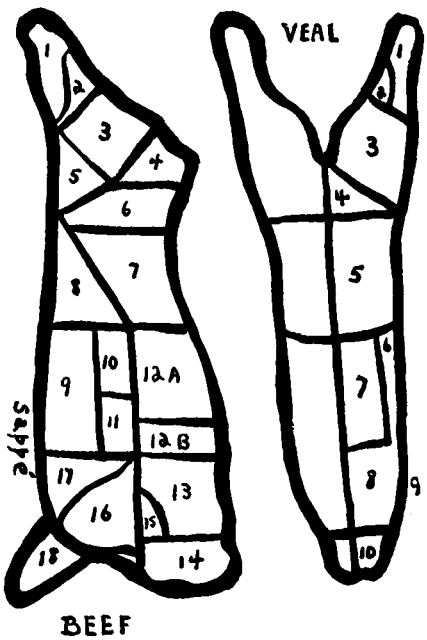
The vote showed that "consumer-minded" Senators are only sparsely scattered through the Eighty-second Congress. Both Senators from only seven states—Alabama, Arizona, Connecticut, New Mexico, New York, Rhode Island, and West Virginia—supported the Douglas amendment. The core of the opposition lay in the Midwestern states, shored up by support from Western, Southwestern, and Southeastern Senators. Party lines were characteristically blurred among the Democrats, who split evenly, 22-22, on the Douglas amendment, and characteristically clear among the Republicans, who suffered only four defections: Ives of New York, Margaret Chase Smith of Maine, Wayne Morse of Oregon, and Charles Tobey of New Hampshire.

The entire controls fight showed the gaps in the political strategy, leadership, and *savoir-faire* of the "consumer representatives" both in and out of Congress. The fact that both the Democratic leader and Chairman Maybank favored some limitation of rollbacks ruled out any concerted Democratic strategy. The failure of the opponents of Section 2 to obtain any accurate assessment of their strength before the roll was actually called severely handicapped their planning. Had their weakness been known at the outset, "liberal" Senators on the Banking Committee might gladly have supported Senator Robertson's motion to extend the existing law intact. Unfortunately, there was comparatively little personal contact between the proponents of stronger controls outside Congress—notably labor representatives—and Senators who were on the fence.

Government by Lobby

The debate showed, finally, that the consumer's interest is an abstract and an uninformed interest. Those who try to represent it find themselves at an inherent disadvantage when placed in competition with the informed representatives of a particular interest or industry. Michigan's new Senator Blair Moody, for example, showed keen interest in preserving beef rollbacks. He knew that the housewife was paying $1.24 a pound for T-bone steak. He knew that beef-cattle prices were at 151 per cent of parity before the rollbacks, and that their fifty-three per cent increase from January, 1950, to March 15, 1951, far outstripped the fifteen per cent increase in all other food items. Yet when confronted by Senators such as Edward Thye of Minnesota or Andrew Schoeppel of Kansas, who had spent years in or around the cattle business, he naturally became mired down by the technicalities, the jargon of the trade, and the myriad facts and figures. Previously most of Congress had been overwhelmed by the persistent bombardments of the cattle industry, constantly presenting new personalities, new facts and figures, new arguments and new ideas, so that by the time the controls bill reached the Senate floor, the loss of beef rollbacks had almost become an accepted fact.

The rollback issue will not finally be resolved until the new permanent controls bill is signed into law. But unless those Senators who are concerned about the consumers' $12 billion do something to increase their power and effectiveness, the issue can hardly be resolved in their favor by the present Congress.



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How Strong Is the U.S.S.R.?

Despite consumer sacrifices and the wildness of Soviet statistics, the postwar build-up of industry and agriculture is very real

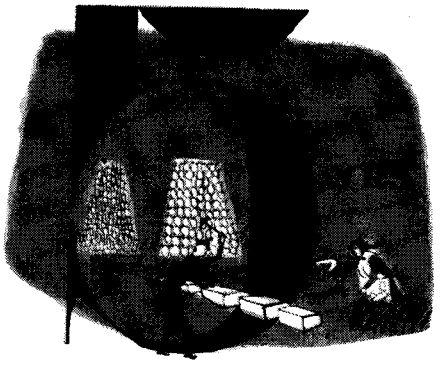
ISAAC DEUTSCHER

IN THE U.S.S.R., now as before the war, the Five-Year Plan has provided the framework for every national activity—economic, political, and cultural. The energies and resources of the country have been closely geared to the attainment of the planned targets of construction and production. At the end of the planning periods, the directors of the economy present their balance sheets, and many Soviet citizens scrutinize their reports, trying particularly to read between the lines.

In the first Five-Year Plans the objectives of economic policy were clearly stated, and the targets, whether attainable or not, were defined with precision. As time went on, the objectives grew more elusive and the balance sheets more enigmatic. Even so, any Five-Year Plan is still a landmark in Soviet life.

Rock Bottom

In April the State Planning Commission announced the results of the fourth plan, started in 1946 and completed in 1950. This was in every respect an extraordinary period. At its beginning there were the vast destruction and misery left by the war: the razed cities of western Russia and the Ukraine; the devastated countryside; the flooded coal mines of the Donetz; the ruined factories and furnaces; the tens of millions of homeless people living in mud huts and trenches in the areas that the Germans had occupied; and the millions of wartime evacuees living not much better east of the Urals. Under the plan, the destruction



was to be repaired; the economy was to ascend to its prewar level and to rise well above it.

All this, we are now told, has been achieved; moreover, the plan has been exceeded. The national income of the U.S.S.R. is about sixty per cent higher than before the war, and the industrial output seventy-three per cent above the prewar level.

Like most Soviet claims of the sort, this is a strange mixture of truth and propagandistic boast. However, the report of the State Planning Commission allows us to construct in general outline a picture of the economy. This picture is so dramatic that not even the inexhaustible stupidity of Soviet propaganda and not even all the tricks of the official statisticians can make it dull.

Retrospectively, a strong light has now been thrown on Russia's economic weakness immediately after the war—a light which shows with what reduced economic power behind him Stalin ventured upon the expansion of the Soviet sphere of influence.

In 1945, Soviet industry produced less than two-thirds of its prewar output. In 1947, the second full year of peace, it was still well below 1940 and was suffering from acute shortages of fuel, basic materials, transport facilities, food, housing, and so on. The annual output of steel was down to about twelve million tons. Factories were apparently turning out only about forty per cent of the amount of clothing and footwear they had produced before the war.

In 1946, farming was stricken by a drought which was worse than any Russia had experienced in the course of half a century. Even before the drought, in 1945, the Soviet sugar plantations yielded only twenty-three per cent of their normal crop. The supply of various fats to the consumer was down to fifteen to thirty per cent of normal, and that of meat and milk was hardly more abundant. The manufacture of cigarettes was reduced to twenty-five per cent of normal. At times it looked as if the apathy and weariness of a half-starved working class was going to thwart recovery. In the appeals for high production the Politburo was issuing in 1946 and 1947, the inducements it offered to the Russian workers, and the threats it showered upon them, there were unmistakable notes of genuine alarm.

Upgrade

The year 1948 brought a turn. Industrial production at last reached its prewar volume. In agriculture, the drought was followed by abundant crops. Since 1948 the curves of pro-

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duction have shown an uninterrupted and startling rise.

It would hardly serve any purpose to reproduce here the abracadabra of Soviet percentage indexes, which are meaningless to the general reader although they sometimes reveal quite a lot to specialized students. We shall confine ourselves to illustrating the ups and downs of Soviet production by the following table, which shows in *absolute* figures the output of metal and fuel:

Soviet Production

Year	Pig Iron	Steel	Coal	Oil	Electricity
	(Million Metric Tons)				*(Billion kwh)*
1940	15	18	166	31	48
1945	9	12	150	19	45
1948	14	19	210	29	65
1950	19	28	264	38	88

The official claim that the Five-Year Plan has been considerably overfulfilled is without doubt true in one sector of the Soviet economy, that comprising heavy industry and engineering. In these branches the original targets were in fact revised and stepped up in 1949 and at the beginning of 1950—very probably in connection with an expanded armament program. It is claimed that the volume of machine building in 1950 was more than double that of 1940, even though the output of basic materials had not risen in the same ratio. So disproportionate an expansion in engineering was possible only if the original allocation of basic materials for consumer industries, by no means generous, was further reduced.

Eastward Hegira

The spectacular recovery of Soviet heavy industry owes a great deal to the massive shift of Soviet industrial power from the strategically vulnerable western provinces to the Urals and Soviet Asia. The materials and the machines that were needed for the revival of the Soviet economy came from the industrial centers in the east, which had been created in the 1930's and during the war. The government continues to promote this eastward shift of industry with the utmost vigor. By now at least half of Russia's heavy industry is situated in its eastern security zones. (Even oil, which until recently was extracted almost exclusively in the Caucasus area, has been affected by this shift—forty-four per cent of Soviet oil now comes from the region east of the Urals.)

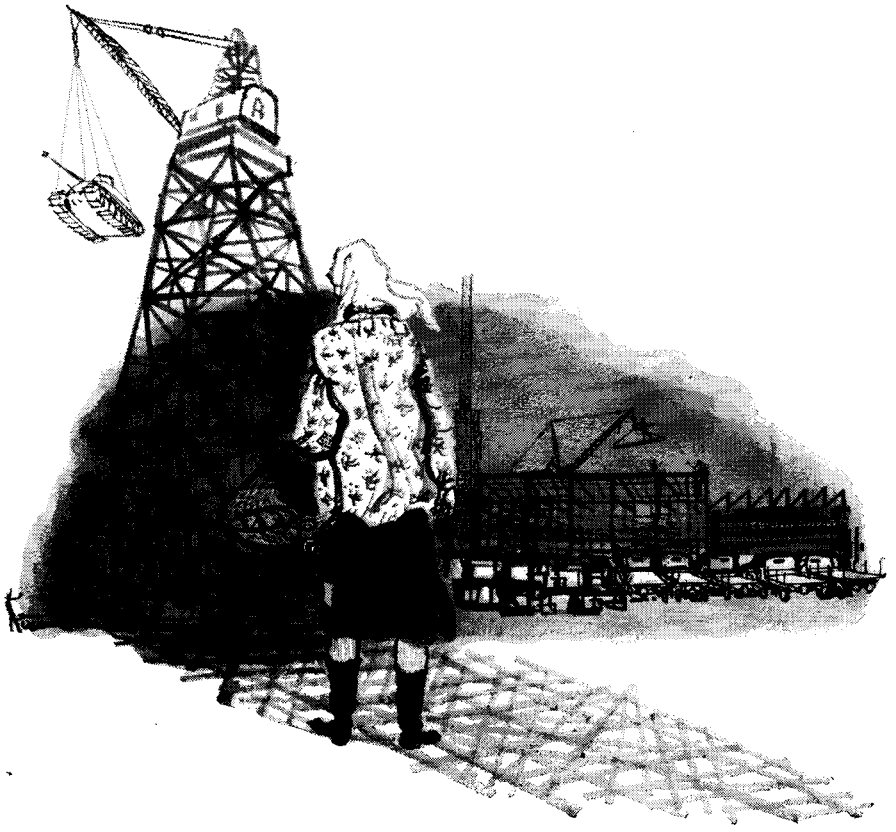
The reparations levied by Russia on Germany, Austria, Finland, Romania, Hungary, and other defeated nations, either in dismantled plants or in goods, undoubtedly helped to revive and accelerate the rhythm of Soviet industrial activity, although Soviet sources say nothing about this. It may be held, as this writer holds, that the political and moral disadvantages of the reparations policy have outweighed its material benefits; but it cannot be denied that the reparations were a significant transfusion of economic power from central and eastern Europe to Russia. The only analogy in modern economic history is the transfusion of economic power from France to Germany that followed France's defeat in the war of 1870-1871: The contribution Bismarck then levied on France helped to speed up German industrialization in the 1870's.

Guns . . . and Butter

It cannot, however, be denied that the Soviet domestic effort has been the decisive factor in the recovery. Nor can it be doubted that the techniques of planning, developed and improved over nearly a quarter of a century, have now stood an important test. Those who are interested principally in the power-political implications of the Five-Year Plan cannot overlook the fact that the Soviet apparatus of industrial production, not to speak of Soviet agriculture, is now much larger and stronger than that of any country except the United States. It is larger than the industrial resources of Greater Germany were at their peak. In combination with the vast Soviet manpower, with the strategic advantages of geography and climate, and with the influence the U.S.S.R. exercises outside its frontiers—advantages infinitely superior to those ever enjoyed by Germany—the economic-military potential on which Stalin can rely in 1951 and in the years to come far surpasses the power that Hitler ever wielded.

The picture assumes a different aspect, though, when we approach it from another angle and try to calculate not the military potential but the standard of living reflected in the figures of the Five-Year Plan. At once the statistics of progress are transformed into statistics of backwardness.

The economic-military power of a



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nation may be measured primarily by the *aggregate* output of its strategic industries. Its standard of living is judged in the first instance by its output per head of population. Years ago the Soviet leaders openly admitted that in this the Soviet Union was lagging behind all modern industrial nations. At the eighteenth party congress in 1939, even Molotov dwelt on this point at considerable length. But in recent years no Soviet statesman or economist has allowed himself to approach the Soviet economy from this angle—the subject is taboo.

Let us do at least part of the job for the silent Soviet economists. In 1950 the furnaces of the Soviet Union produced 308 pounds of steel per person, while those of the United States produced 1,289 pounds and those of Great Britain 717 pounds. The output of coal per capita was 1.3 tons in the U.S.S.R., 3.3 in the United States, and 4.4 in Great Britain. The generation of electrical current was 440 kilowatt-hours per person in the U.S.S.R., 2,200 in the United States, and 1,100 in Britain. American oil wells supply about 1.7 tons of oil per American citizen; the Soviet ones yield only 0.2 ton per Soviet citizen. The actual gulf between the standards of living is even wider than these figures suggest: Only a tiny fraction of the 308 pounds of steel or the 440 kilowatt-hours of electricity that the U.S.S.R. produces per capita goes to satisfy the needs of the Soviet consumer.

The Price of the Plan

These figures tell the drama of the Soviet economy. For Russia even this low per capita output does represent a very real progress, bought at the price of unparalleled sacrifices borne in silence by an entire generation. Even per capita the Soviet output of basic material and fuel is now twice or three times as large as it was, say, in 1935. It equals or closely approaches the per capita output of a country like France. This is all the more remarkable considering that in the late 1920's Russia was still much nearer in this respect to India and China than to France. Were it not for the burden of armament and massive investment in heavy industry, the present apparatus of Soviet industrial production might give the 200 million Soviet citizens something like the French standard of living.

'This Is Inadequate'

Twenty years ago not only the Bolsheviks but their bitterest opponents would have considered such a development of the country's resources as little short of miraculous. Yet what might have been regarded as a stupendous achievement yesterday is quite inadequate today. It is not against France but against the United States that the Soviet Union is now measuring its strength. And indeed, in the report on the Five-Year Plan the words "this is not enough" and "this is inadequate" are repeated like a refrain and a warning after every passage announcing the overfulfillment of the plan in any particular field.

So far we have surveyed basic materials and heavy industry. Let us turn to consumer industries. The Soviet press has recently been full of percentage figures and indexes illustrating the rise of consumption since the war. The more abundant supply of goods, it is claimed, has enabled the government to decree four successive cuts in the prices of consumer goods at a time when the capitalist world is in the throes of inflation. Another set of figures purports to show that consumption has risen even above the level of 1940, Russia's last theoretically "normal" prewar year.

These assertions seem to be true as far as they go. But they are based on a crude statistical trick, which consists in measuring current consumption with an arbitrarily chosen, unduly small yardstick. The year 1940 was bad for Soviet consumers: In expectation of war, the government was then drastically reducing consumption and building up emergency stocks. If 1940 was bad, 1945 was disastrous. Even if present consumption is above the levels of those two years, it is still very low. It is officially admitted, in part openly and in part by implication, that the plan has not been fulfilled in consumer industries, although no indication is given by how much actual performance has fallen short of the goal.

Clothing and Footwear

It becomes clear what the failure to carry out the plan in this field really means when one considers how very modest were the targets set for 1950. Here again, output per capita must be the decisive criterion. Comparisons between Soviet, American, and British figures are more difficult here, because of the peculiarities of the various statistical methods and the obscurities of Soviet statistics. Approximate comparisons may nevertheless be drawn.

The State Planning Commission has openly declared that the clothing and footwear industries have failed to cope with their tasks. Yet the textile factories were to provide by 1950 an average of no more than twenty-five yards of cotton fabrics for the Soviet citizen (compared with approximately sixty yards per capita in the United States and thirty-five in Great Britain). The output of shoes should have been sufficient for the Soviet citizen to buy one pair of them a year, while

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the average American buys three and the average Briton at least two pairs. These figures give a highly inadequate idea of the real differences in the standards of clothing; the Soviet Union does not produce either rayon or nylon on a large scale. It is true, on the other hand, that the needs of the Soviet consumers have in recent years been partly met by imports. Stores in large towns have been stocked with Czech shoes and Czech, Polish, and Hungarian textiles; western residents in Moscow report that the clothing of the Soviet city dwellers has in consequence visibly improved. Nevertheless, the figures given above—representing as they do the targets for 1950, not the actual output—indicate by and large the gulf between Soviet and western standards.

The Soviet people have known little or no starvation, but the nutritive value of their diet has remained extremely low. Its main items are bread, potatoes, and cabbages, of which there is no shortage. But the city dweller gets hardly more than half a pound of meat per week on the average, one-sixth of the American per capita consumption. He gets hardly more than a pound of fats of all sorts per month. The Soviet family still feels in its diet the consequences of the losses suffered by livestock farming through collectivization and the recent war.

Worst of all has been the desperate shortage of housing; and far too little has been done under the Five-Year Plan to mitigate it. In the course of the last prewar decade the urban population of the U.S.S.R. grew by nearly thirty million—of whom nearly two-thirds came straight from the countryside. The cities and towns had not been prepared for this formidable influx of newcomers. The housing programs were absurdly inadequate. The rulers were more interested in erecting grandiose public edifices and monuments than in building dwellings. In the war, scores of cities were almost totally destroyed.

Since the war the urban population has continued to swell. Seven to eight million people more than before the war are now employed in industry and governmental offices. The natural increase of the population must have added another five million or so to the number of city dwellers. Lack of accommodation for workers has at times threatened to disrupt all industrial plans. Whenever a plant or a factory has failed to meet its production target, its management has pointed to the lack of housing for the workers as the first reason for the failure. The few astonishing cases in which Soviet citizens have in recent years dared openly attack Ministers have been connected with the housing scandal. Thanks to incessant pressure from the government, the industrial managements, and the workers, the plan has been "overfulfilled": 100 (instead of 84) million square meters of housing space has been provided. But even now the average housing space for every homeless or virtually homeless city dweller amounts at the most to four square yards, less than any decent farmer would allow his beast of burden. In the countryside, the plan has not been carried out. Of the scheduled 3.4 million houses only 2.7 million have been either repaired or built.

It may be said (and off duty, when they do not deny these facts, some Stalinists actually say) that it is unfair to compare the standards of living of the U.S.S.R. with those of the two wealthiest countries of the West. The contrasts are indeed sometimes drawn in the West with an irritating and immoral undertone of the rich man's mockery of the poor. Yet what invites the comparisons is the ridiculous claim that the U.S.S.R., with its allegedly superior culture, has nothing to learn from the rest of the world.

The Propaganda of Ignorance

Even a brief survey of the facts shows how far the U.S.S.R. has yet to go before it assimilates some of the material, not to speak of the spiritual, elements of the civilization that even a "decaying" capitalism can still boast.

At least nine-tenths of Soviet domestic propaganda is directed toward keeping the people unaware of all this. The statistics on Soviet progress are repeated *ad nauseam,* and the indications of backwardness are consistently suppressed. In the West, similarly, the claims of Soviet progress are belittled or dismissed as bluff. This is as unrealistic as Soviet boastfulness.

The bulk of the Soviet people compare the conditions of their own existence not with those of people in the West, of which they know little, but with those in which they themselves had lived, and with the general outlook of their country five, ten, or twenty years ago. They look back upon the road they have traveled, if not with contentment then with bitter yet real pride in achievement.

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Yugoslavia—Right Turn?

Three years of divorce from Stalinism have produced extensive new ideological and economic patterns

HENRY MANNERING

THE MAIN shopping street of Belgrade has the gray, sodden aspect that characterizes a Communist capital, but the visitor will know right away that this is a Communist capital with a difference. Its buildings do not display the flamboyant portraits of the leader. First Stalin's face was gone; now Tito's has disappeared.

Down the street from the main square a considerable crowd is gathered outside a shop. These people are neither lining up for the bread ration nor listening to an exhortation from a party worker; they are reading the placards in the windows of the United States Information Service.

Yugoslavia may be moving away from Communism fast—faster than its rulers think, and faster perhaps than they would like. The rulers insist that they are Communists, the real Communists. The Russians and the satellites are always called the Cominform, and a Yugoslav official winces a little when an outsider calls them Communists. Tito's men are ambitious to assume leadership of dissenters from Stalinism throughout the Communist world. They consider their adherence to Marxism-Leninism a positive asset in their struggle for survival.

To most Americans, the significance of Tito's break with the Kremlin has been only that so many hundreds of thousands of soldiers have been subtracted from the Soviet side and made available to our side to meet an aggressive Russian move. There have been plenty of expressions of distaste at accepting a Communist dictatorship as our ally in a fight for freedom. On the whole, however, Americans have felt it well worth while to give Tito some support provided we watch him carefully for any sign of defection. The Kremlin has been able to change the party line at will, and many of us have assumed that Tito's switch from East to West was just another evidence of the ability of a dictator to change signals and take his country along with him.

Triple Objective

It hasn't been that simple in Yugoslavia. Its people have a tradition of fierce independence. However strong Tito's police may have been, he needed the wholehearted support of the people to withstand the terrific pressure of Russia and its satellites. The break with Stalin meant that Tito was faced with three main tasks: to maintain the military and economic strength of the country to resist Cominform infiltration and possible aggression; to win western support in order to gain military and economic assistance; and to foster an ideological combat in the Communist world, so as to induce major defections from Stalinism to Titoism.

The Yugoslav leaders have thought that it was possible to accomplish all this while maintaining a simon-pure Communist state. Maybe they think that they are still simon-pure, but the relaxation from Communist doctrine and concession to the democratic conscience have given the state an entirely new look.

To outsiders, the change is most noticeable in foreign affairs. In April, 1949, Tito said that "no intimidation from the West or East can divert us from our principles as determined followers of Marxism-Leninism from our own road to socialism," and denounced "the intensive propaganda disseminated in the countries of People's Democracy to the effect that Yugoslavia was going over to the imperialist camp, that capitalism was to be revived in our country, and similar nonsense."

Two years later he was still telling visitors that under no circumstances would Yugoslavia join any power bloc, but he was already asking for arms from the United States to protect his

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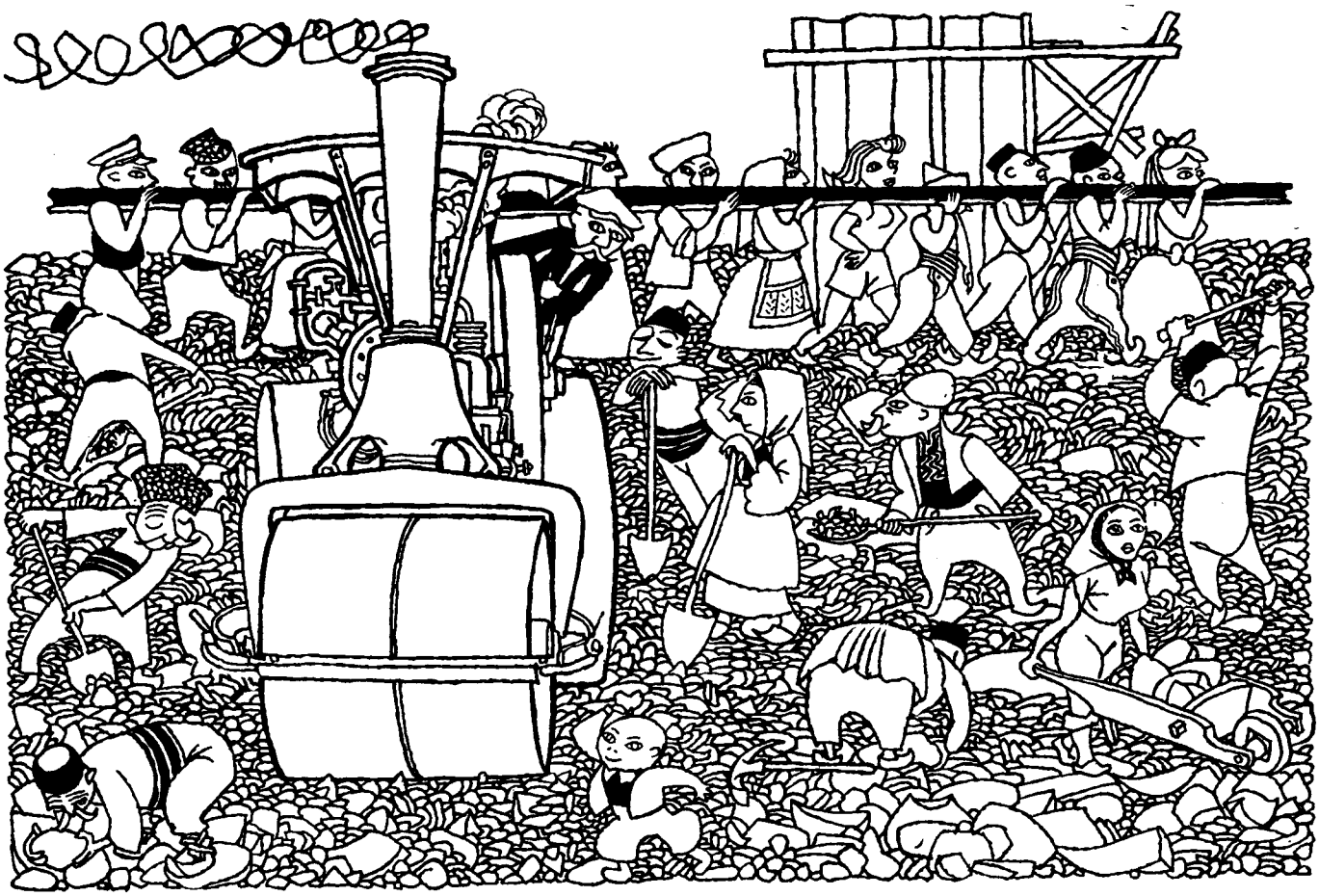

country against possible Soviet aggression.

In the meantime his foreign policy continued to evolve rapidly away from that of the Soviet Union. Nearly a year after the break, the Greek government was still called monarcho-fascist by the Yugoslavs. Today, diplomatic relations have been restored between Greece and Yugoslavia, the Belgrade-Salonika railway line is open, an airplane service operates between Belgrade and Athens, and the two countries have entered into a trade treaty.

At the end of June, 1950, the Yugoslav representative on the U.N. Security Council voted against the resolution recommending the use of armed force to repel the North Koreans. In September, Foreign Minister Edvard Kardelj condemned the North Koreans as aggressors and attacked the Soviet Union before the General Assembly. Still, throughout that session, Yugoslavia generally followed the relative neutrality of India and the Arab countries. In May, 1951, it made an abrupt change and voted in favor of the arms embargo against Communist China.

When we turn to domestic affairs, some equally spectacular changes are evident. Attempts to force the peasants into collectives were given up months ago. The compulsory food collections were first reduced and then abandoned. The peasant can sell his produce in a free market, which means that the high food prices resulting from the prolonged drought put him in a comparatively favorable economic position. However, he is still unable to get consumer goods in any decent quantity. In the whole of the city of Belgrade, it is still impossible to buy so simple an article as a comb. Essential goods like clothing, shoes, and household utensils are available, but at high prices and with a very restricted range of choice. The régime is well aware of the necessity of placating the peasants by making more things available for them to buy, but it will be a long time before it can satisfy them.

Freer Enterprise

Economically, the big development has been the decentralization of industry. The control of industries has been turned over to the six constituent republics, with the central government retaining only responsibility for planning and co-ordination. Workers' councils have been set up in factories to share responsibility with the government-appointed managers. Yugoslav economists say it is too early to tell how well the new system will work. They say it is intended to diminish the control of bureaucracy and increase individual initiative. They vow stoutly that it is not a step toward private ownership, but the outsider feels that they have reached the point where output is much more important than doctrine. Yugoslavia is desperate for goods, and if its leaders conclude that they can get more from a limited return to free enterprise, they may well take another and decisive turn away from Communism.

In its earlier years, the Tito régime embarked on a grandiose program of industrialization on the Soviet model. Shock brigades of youngsters threw themselves enthusiastically into the construction of roads, factories, and buildings. On the outskirts of Belgrade are the skeletons of the huge government buildings which were to make a new capital. When the Cominform

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blockade was clamped down, the whole project had to be shelved. The enthusiastic but haphazard drive for industrialization has quieted down. The Yugoslavs are still working hard to raise their standard of living, but they talk more now of training the thousands of doctors and technicians the country badly needs than of building more giant machine-tool works.

Yugoslavia is still a police state, but interesting things are happening in the fields of religious freedom and civil liberties. Relations with the Serbian Orthodox Church seem definitely on the mend, and Orthodox priests can be seen in considerable numbers in the city streets. Tito's feud with Archbishop Aloysius Stepinac is still unsettled, though the archbishop has been offered his liberty if he will leave the country or retire to a monastery.

In June, 1951, Minister of the Interior Alexander Rankovich made a startling statement in which he attacked the arbitrary actions of his own police and urged greater independence in the courts. In the same month, the trade unions were permitted to function on behalf of the workers instead of the state, although the right to strike continued to be denied. The regimented parades, with marchers chanting "Ti-*to*, Ti-*to*," have all but disappeared. Government officials have lost most of the privileges that have been a hallmark of Communist tyranny, and are now living on rather meager salaries. There is no overt opposition, but no foreigner can be in Yugoslavia long without coming to know that there are plenty of adherents of the former régime who do not like Tito, even while they support his anti-Soviet foreign policy.

Most remarkable are the ideological changes which are transforming the general character of the Yugoslav elite. There is no doubt that these people were sincere Marxist-Leninists, whatever their leaning toward nationalism. Belief in the implacable hostility of the capitalist world to socialism was central to their philosophy. Now they see the Soviet world implacably hostile simply because they refuse to obey blindly the dictates of Stalin, while the capitalist world gives them aid without attempting the slightest interference in their internal affairs.

This turn of the wheel has had a startling effect on their thinking. If the Communist gospel can be so wrong in one of its essential dogmas, why should it be right in the others? It would be too much to say that a really fundamental revision of Communist dogma is already under way. The beginning of it can be seen, however. The young doctrinaires are disputing the theory of the relation between socialism and capitalism. The clichés of "Wall Street" and "the monopolies" are fading. In foreign affairs, the study of the U.N. and the problem of collective security have come to be of prime importance. The ideological ramparts of Communism are beginning to crumble.

Paradoxically enough, there is room for debate on whether the eventual abandonment of Communism by Yugoslavia would be a good thing for the United States. We have had reason to hope that the Titoist heresy would serve to weaken Stalinism, and it certainly has had an effect in the satellite countries and among Communist parties in western Europe. The Yugoslavs themselves continue to insist that much of their influence in Cominform countries would be lost if they were unable to claim to be real Communists. Unquestionably it would be a serious mistake if the Yugoslavs were forced to abandon Communism by pressure from the West.

Our own greatest asset is the belief of peoples that we do not wish to interfere with their way of life for our own benefit. The almost casual way in which the United States has accepted the turn of events, neither shouting its delight nor pushing the Yugoslavs to move faster, has made a deep impression. But if the change came as a result of the free choice of the Yugoslavs themselves, it would be net gain for us.

The outsider is tempted to feel that the Yugoslavs overemphasize the importance of the claim that their heresy is the true faith. The great value of the Tito revolt is that in breaking away from Stalin Tito demonstrated the possibility of achieving freedom and exposed the brutality and egotism of the Kremlin. Those who are restive under Stalinism are probably much more interested in freedom than in doctrinaire Communism. The ideological disputations of the Titoist Communists may appeal to a few potential renegades in the Cominform hierarchy; to the broad masses they can mean but little.

How Reliable?

Moreover, so long as Yugoslavia remains Communist, we of the West cannot escape the feeling that Yugoslavia is an unreliable ally. Tito himself is well aware that many Americans do not trust him, and he has gone to great pains to reassure visitors that the break with Stalin is irrevocable.

The will to resist Soviet aggression certainly exists. It was a major windfall for the West that a defection from Stalinism should have occurred in a country so strategically situated and with a large army well trained in guerrilla tactics. Whatever ideological doubts we may have, the military reliablity of Tito and his army must be given a high rating. The situation of his country is nevertheless too unstable to inspire complete confidence in the future. We do not really know the roots of the conflict. If it stems from a personal quarrel, the death of either Tito or Stalin might mean another shift in policy. A self-proclaimed Communist Yugoslavia will always have an element of psychological hazard which would be absent if it were non-Communist although socialist.

It must be emphasized that such a denouement is not just around the corner. It will take time to happen, and the Yugoslav leaders themselves deny fiercely that it will happen at all. But the American cannot forget the sight of the people standing four and five deep outside and inside the office of the USIS in Belgrade poring over every word on the placards and bulletins. Nor can he forget the Yugoslav writer who said: "I don't agree with the general view that what we need from America is technical knowledge. The most important contributions you can make to us are spiritual."

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Expropriated Oil: Mexico and Iran

A study of what happened south of the Rio Grande might give pause to Premier Mossadegh's supporters

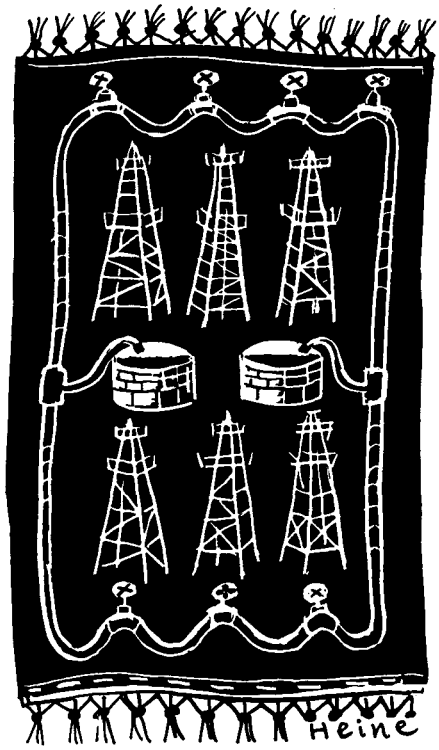
HERBERT L. MATTHEWS

When the Iranian government sent a note to the Anglo-Iranian Oil Company announcing its intention to take over the petroleum industry, Finance Minister Mohammed Ali Varasteh drew an unfortunate parallel: "The nationalization of industries," he wrote, "is based on the right of the sovereignty of nations, such as exercised by other governments, including the British government itself and the Mexican government."

Aside from the fact that the British were nationalizing their own industries and not foreign-owned property, one wonders whether the Iranian officials had taken the trouble to find out what had happened to Mexico's oil industry after its expropriation thirteen years ago. If they had, they might have been less optimistic in promising "unprecedented prosperity" once they got rid of those theoretically wicked western imperialists who were exploiting the Iranian people and their only great source of wealth. Mexico was fortunate in having mineral wealth to fall back upon and to tax more heavily, but Iran has only oil. All its eggs are in that barrel, so to speak. Moreover, Mexico had a peaceful, democratic and fundamentally friendly nation along its northern frontier, and was allowed to develop its oil venture more or less unmolested.

The Case of Mexico

It is frightening to realize that nations, like individuals, must learn by experience, and that sometimes the lesson comes too late. The parallel with Mexico that the Iranian Finance Minister drew was not fanciful; he merely neglected to pursue it to a useful conclusion. Yet there are enough similarities to make a general comparison valid and, indeed, necessary.



In both cases there was a foreign-owned oil industry in a country where nationalistic passions became the decisive factor. Mexico, like Iran after oil was discovered, was a country rich in raw materials but poor in capital and in technical knowledge.

Since the Mexican Revolution of 1911 was essentially agrarian and since ownership of the land involved ownership of the subsoil, it was inevitable that mines and oil fields should be caught up in the reforms. The explosion had brought out all the latent but long-existing "anti-gringoism." Powerful social forces had been unleashed and they took form in President Venustiano Carranza's Constitution of 1917. By its Article 27, ownership of the lands and waters and all products of the subsoil was vested in the nation.

So began a long and involved struggle between foreign investors and the successive Mexican Governments. It came to a head after Lázaro Cárdenas was inaugurated President in 1934. Cárdenas believed in putting the principles of the 1911 Revolution and the Constitution of 1917 into literal effect. He began expropriating land for communal settlements, and the oil companies were soon in trouble.

Oil had been found near Tampico as early as 1904, and American, British, and Dutch interests were quickly on the job. By the peak year of 1921, Mexico was producing 193 million barrels, then more than one-fifth of world production. However, the foreign companies were getting more and more worried by the threat to their holdings and less and less eager to keep up the aggressive pursuit of exploration, new drillings, and new investments that a petroleum industry demands.

Seeing the writing on the wall, they exploited existing wells to the utmost and let the industry run down to the point where production had dropped to 47 million barrels in 1937, the last full year before nationalization took place. By that time Mexico was producing only two per cent of the world's petroleum supply and had fallen from second to sixth place.

Late in 1936 the oil unions demanded higher wages and benefits and a share in the management of the companies. The dispute was carried to the Supreme Court, which decided in favor of the workers. At the last minute the companies agreed to raise wages, but refused to share the management. The concession was too late. (Note that the British then and later

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were having similar troubles with the Iranian government and the workers; Anglo-Iranian had to negotiate a new contract in 1933 and made last-minute concessions this year—but in vain. In both cases the ax descended with startling suddenness.) On March 18, 1938, Cárdenas acted; the companies —four British and Dutch and thirteen American—were expropriated.

Mexico was fortunate in two things: that the President in Washington was Franklin D. Roosevelt, and that the international situation was so dangerous. War was already in the offing and the United States had no desire to see a repetition of the situation during the First World War, with a pro-German and perhaps a pro-Japanese Mexico. As a result, the oil companies were sacrificed and good relations were saved. In the same way, the fear of Russia made the handling of the Iranian dispute far more delicate than it would otherwise have been.

The American companies, which originally claimed $200 million in compensation, got $24 million in 1942, plus a separate settlement by the Sinclair interests for $8.5 million. The British and Dutch, whose holdings were twice as valuable, had to wait until 1948, but they got a better settlement—of $81.25 million, to be spread over fifteen years. In Iran, Britain's investments total something like $800 million to $900 million. How much can it expect to get back? If Mexico is any criterion, perhaps $200 million in twenty or twenty-five years.

The Right to Expropriate

There, of course, is the rub, as it was with Mexico. When a state takes your property in accordance with its laws and pays what it says it is worth, you have no legal right to complain. Cordell Hull, our Secretary of State in 1938, conceded the right of Mexico to expropriate, but not to confiscate. The British in Mexico and later in Iran at first demanded restoration of the property, but in the end they had to accept the fact of nationalization.

Much as we dislike the idea and far-reaching as the complications may be, the Mexican and Iranian cases have now set two major precedents that cannot be ignored. Put in its simplest terms, the right of a sovereign nation to nationalize a foreign-owned industry has been acknowledged, although only when accompanied by due compensation for the property that is taken over.

In both cases agreements were broken unilaterally. The British concessions in Iran should have been binding until 1993, according to the terms of their contract. In Mexico, as Donald Richberg, counsel for the oil companies, claimed, "Valid titles to these subsoil rights had been obtained by the companies in accordance with Mexican Law." President Cárdenas got around this to his own satisfaction by calling the foreign rights unconstitutional. Besides that, he accused the companies of "a conspiracy against Mexico" because they would not comply with the full terms of the Supreme Court decision. In Iran, Premier Mossadegh fell back on a similar legal quibble. The sixty-year agreement of 1933, he asserted, was obtained under duress and hence was invalid.

Wide World

Lázaro Cárdenas

The Story of Pemex

So the Mexicans got their oil industry. Let us see, without prejudice, what they have done with it. A company was formed called Petróleos Mexicanos—Pemex for short—which was the prototype of the new Iran National Oil Company. It took over the physical assets of the seventeen foreign-owned companies.

One of the errors that have colored socialist thought for centuries is the belief that industries for the most part run themselves, that the work of the laborer or employee is what counts, and that managers and owners are primarily accountants who look imposing and collect the profits. The Mexicans, like the Iranians today, overlooked the fact that "the companies" were not entities to be taken over by decree. The physical property could be, but not the men who made the property work—the technicians, the experts, the managers, the administrators.

Moreover, there are markets to be considered, and the means—tankers, tank cars, pipelines—to get the oil to the markets. Mexico's outlets were the United States and Great Britain, but the big oil companies, having been despoiled of their property, naturally closed their markets. President Cárdenas, a true and sincere champion of the political Left, started selling his oil to Nazi Germany. In a similar situation, Premier Mossadegh of Iran, an extreme conservative, might have to sell oil to Communist Russia.

The war that began in 1939 took care of Mexico's embarrassment, but it did not make the industry efficient. Eight years passed before production climbed back to where it had been in 1937.

Flow of Capital—and Oil

In Mexico, it speedily became clear that oil needs capital, and that capital only flows into good risks. The widely scattered nature of Mexico's petroleum deposits in a country of many mountains and poor transportation meant that proper development was bound to be exceptionally costly. In any event, oil is far and away the most expensive and complicated of all commercial ventures. It takes a vast organization, skilled and aggressive administrators, constant supplies of expensive machinery, and a costly transportation system.

Pemex was run for eight years by politicians, not by industrial experts. In 1946, President Miguel Alemán courageously and fortunately picked a wealthy liquor manufacturer, Senator Antonio J. Bermúdez, to head Pemex. Bermúdez knew nothing about oil, but he was a good administrator, a patriot, and a completely honest man in a country where the *mordida*—or "cut" —has been the rule. Pemex cannot be

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taken out of politics; no nationalized industry can. But it is far more efficient than it was.

When Bermúdez took over in 1946, production ran at 46.7 million barrels a year. By 1948 it was up to 59 million, and last year it reached 73.8 million barrels. This year it should go higher, for more wells are going to be sunk—at least three hundred if Mexico can get the tubes and machinery. (For a comparison, the foreign-owned companies in Mexico drilled an average of eight hundred wells a year in the 1920's, and the United States will sink 43,800 wells here in 1951.) A pipeline of great strategic potentialities has just been built across the Isthmus of Tehuantepec, linking the Gulf of Mexico and the Pacific. Two new refineries have been completed.

Shoestring Expansion

Pemex is hiring some of the best American firms for exploration and advice, and buying only the most expensive and newest machinery—when it can find American firms to take orders. That is a very sore point in Mexico. The company badly needs pipes for lines and tubes for drilling, but it has been unable to get more than a minor fraction of them. Mexicans blame the obstructive tactics of the big American oil companies, but the Americans point out that Mexico is a new client and there are not enough tubes and pipes for the United States oil industry.

Wide World

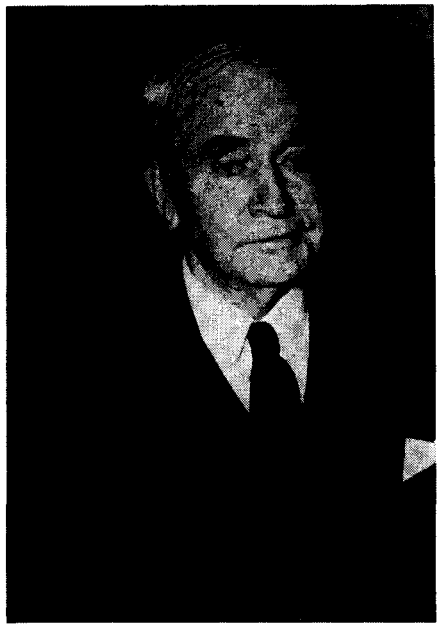
Antonio Bermudez of Pemex

During the years when machinery was available, Mexico did not have hundreds of millions of dollars to spend on its petroleum industry. It tried to get help in 1948 when Bermúdez came up to Washington with a five-year program to expand oil production and build new refineries and pipelines, for which he asked a loan of $470 million. The amount was shaved to $200 million and then $100 million, but the talks finally broke down on the old issue—a refusal to allow American interests and American capital to share in developing the oil fields.

In thirteen years Pemex has not turned up a single richly productive field. Poza Rica, which was discovered before expropriation, is still the only rich field, and Pemex has been draining it at a dangerously rapid rate. Yet all experts agree that Mexico has oil and a great deal of it. After all, the Rio Grande embayment, from which Texas gets so much oil, is half on the Mexican side. Something like 130,000 square miles of potential oil territory has been mapped in Mexico, and there are known reserves of more than 1.35 billion barrels. Potential reserves are estimated at twenty times that.

The company itself is certainly getting along; it is not going bankrupt. It may be earning net profits, although outsiders doubt the claim of Senator Bermúdez that Pemex is "highly profitable." He points to the fact that it has paid off its debts, met all its obligations, and is paying large and increasing taxes to the government. In a nationalized industry the normal bases for analysis are lacking; and the question of profit or loss is sometimes dependent on how the figures are calculated, and what figures are included or left out. Pemex issues only very general statements and keeps the details secret. American veterans in Mexico suspect that Pemex is not profitable.

The picture that Pemex presents is mixed, not so much bad as disappointing. Mexico could be producing two or three times the amount of oil it does produce. Mexicans know that, but are they sorry they nationalized oil? Not in the slightest! Do they want the American companies back? Emphatically no! They would much rather own their oil industry and run it badly than have it well run by foreigners. They do not care if they have less oil, poorer in quality, higher in cost and badly distributed—so long as it is their own oil.



Harris & Ewing

Cordell Hull

The Curse of Nationalism

And this brings us back to Iran. One touch of nationalism is what makes two countries kin. This pernicious curse of our era is stronger than common sense, logic, or morality. At the time Cárdenas expropriated the American companies, according to Josephus Daniels, then ambassador to Mexico, "a wave of delirious enthusiasm swept over Mexico. . . . Cárdenas had made approval of the expropriation of oil a sort of national religion." We have seen what "waves of delirious enthusiasm" swept over Iran as the oil fields were seized. We know that the joy will turn to blood and tears, and that one of the richest properties in the world is probably going to be ruined, at least for a while. But in Iran as in Mexico, it was the myth, not the reality, that controlled events. For years the Iranians had been told, and presumably believed, that all their miseries were caused by British exploitation of their oil.

So the Iranian tragedy is played through to its bitter end, a much deeper tragedy than Mexico's, for in this case the fate of the nation is at stake, and the world is being shaken. Mexico, instead of being a lesson, was merely the first act of the tragedy, one now being played on a world stage.

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'Good Faith' and Competition

A tricky little bill soon to be acted on by the Senate would strike another body blow at the small businessman

WILLIAM S. FAIRFIELD

EARLY in July, the United States Senate found itself as far behind schedule as the Toonerville Trolley, but far less amusingly so. The Defense Production Act, which contained the authority for price controls, was existing only by virtue of a hasty thirty-one-day extension. The entire administrative arm of the U.S. government was working under a similar extension, its appropriations for the fiscal year having expired. Both conditions demanded immediate, decisive Congressional action. Almost as acutely in need of attention were new foreign-aid and tax bills.

S.719

The measure before the United States Senate involved none of these urgent matters. That body happened to be considering a bill simply and curtly labeled S.719—a comparatively short document, but one with such sweeping implications that only the most able lawyer-economist team could have been expected to analyze it with any degree of accuracy. The best its advocates could do to describe it was to call it a bill "to establish beyond doubt that, under the Robinson-Patman Act, it is a complete defense to a charge of price discrimination for the seller to show that its price differential has been made in good faith to meet the equally low price of a competitor."

S.719 had cropped up in the Senate before under a different label, and it was quickly recognized by two of its firmest enemies, Senator Paul Douglas of Illinois and Senator Russell Long of Louisiana. On the afternoon of July 2, Douglas and Long undertook to block S.719, arguing for almost four hours against the bill.

Neither Long nor Douglas had any desire to delay matters currently more pressing. They simply felt, as did such others as Estes Kefauver and Wayne Morse, that S.719, if put into law, would set back anti-trust legislation in this country more than thirty-five years, back to the days long before the Robinson-Patman Act, when monopolists first discovered the glaring loopholes in our original attempts at anti-trust laws, the Sherman and Clayton Acts.

All afternoon Douglas and Long held forth. Like doubles partners in tennis, they returned the attacking volleys of Kenneth Wherry and two of the bill's other sponsors, Pat McCarran and Edwin C. Johnson. If Long couldn't return a certain shot, Douglas could. If Douglas lacked the facts to answer, Long had them.

The two Senators argued that no hearings had been held on S.719, or even on its sister bill, S.1008, which had passed the preceding Congress only to be vetoed by President Truman. They implied that McCarran, as chairman of the Senate Judiciary Committee in charge of the bill, had actually sought to avoid hearings, the normal purpose of which is a better-informed vote. And they named several colleagues who ostensibly favored the bill but privately admitted they really didn't understand it.

Russell Long

Finally, Douglas and Long used their best argument for postponement of action on S.719: McCarran himself had explained that the main purpose of the bill was to write into permanent law what was already law, at least temporarily, as a result of a little-heralded Supreme Court decision last January. Neither Douglas nor Long agreed with that decision, and both felt that S.719 went a lot further than just confirming it. But assuming McCarran's explanation was correct, they argued, what was the rush?

Somewhat feebly, McCarran tried to dodge his own words. He didn't succeed. Consideration of S.719 was postponed for one month.

The Standard Oil Case

The Standard Oil decision involved a fairly simple case of price discrimination. Standard Oil of Indiana had been selling gasoline to four of its customers in Detroit at a price far below its price to all other retail filling stations in that city. Obviously, the other stations were being deprived of business because of Standard Oil's discriminatory prices. But Standard could show that a relatively unknown local gasoline company had originally offered lower prices to the four stations in question, and that it had lowered its own prices

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only to meet this local competition. Standard Oil pointed to the Clayton Act, which permitted such price discriminations as long as they were made "in good faith."

The Federal Trade Commission countered that such plights as that of the other stations in Detroit were exactly the reason why Congress had amended the Clayton Act by passing the Robinson-Patman Act in 1936. This Act had made price discrimination illegal "where the effect . . . may be substantially to lessen competition . . ." In other words, where the Clayton Act had made *motive*—that is, good or bad faith on the part of the seller—the test of lawfulness of a given pricing policy, the Robinson-Patman Act changed all this to make the test the *effect* upon competition.

The Robinson-Patman Act did contain one exception: If the seller could prove that one of his customers actually saved him money by buying in large quantities, he could give that outlet a lower price based solely on his cost savings, no matter how many competing outlets were driven out of business.

Standard Oil's Detroit pricing practice involved no such cost savings, however. And thus, on the ground of violating the Robinson-Patman Act, the FTC hauled Standard Oil into court. The FTC was not denying Standard's right to cut prices in Detroit or anywhere else; the commission was merely contending that if the company wanted to cut prices to four filling stations, it would have to grant similar cuts to all others in the area.

During the course of the Standard Oil case from court to higher court, some interesting figures came out. One set showed that the large oil companies had originally built only about five per cent of the filling stations in the country, but now owned about seventy-five per cent of them, having acquired most under conditions of distress. This was typical of the arguments used by FTC to prove that such pricing practices as that of Standard Oil in Detroit actually could substantially lessen competition, and thus become illegal under the Robinson-Patman Act.

Standard Upheld

The FTC was confident, especially after Standard Oil lost its case in the Circuit Court of Appeals before Judge Sherman Minton, more recently elevated to the U.S. Supreme Court. Neither FTC's confidence nor Minton's opinion held up, however. In January, the Supreme Court reversed the previous decision of its newest member and decided, five to three, in favor of Standard Oil.

Harris & Ewing

Paul Douglas

The five majority Justices said that Standard Oil had proved it had acted "in good faith to meet a lawful and equally low price of a competitor," and therefore was innocent. They implied that the section of the Robinson-Patman Act dealing with the *effect* of price discrimination on competition might as well never have been passed.

"There has been widespread understanding that, under the Robinson-Patman Act, it is a complete defense to a charge of price discrimination for the seller to show . . . good faith," the majority opinion read. The five Justices—Frankfurter, Burton, Douglas, Jackson, and Clark—certainly didn't find this "widespread understanding" by questioning Wright Patman, who is still in the House of Representatives. Patman's own understanding of the Act is diametrically opposed to that of the majority Justices, as is the sum total of all Congressional intent, as revealed in the old committee reports on the Act.

What the five Justices did find, according to some who studied their decision most closely, was a looseness in the wording of the Robinson-Patman Act.

In stating that the seller's proof of good faith was a "complete defense" against charges of price discrimination no matter what it did to competition, however, the five Justices hinted they might change their minds some day. They simply said, "We see no reason to depart now from [our] interpretation." The possibility that the Justices might see reason later on was what worried the McCarrans and the Johnsons, what led to the sly manipulation of S.719 onto the Senate floor. The sponsoring Senators wanted to ride the tide while it was running with them.

'The Basing-Point Bill'

Douglas and Long have argued that S.719 would go far beyond a mere confirmation of the Supreme Court decision in the Standard Oil case, although that in itself would be bad enough. S.719 would also authorize a method of price fixing known as the "basing-point system," from which comes the most common name given to S.719 and to its predecessor in the Eighty-first Congress: "the basing-point bill."

Until outlawed by the courts, the basing-point system was employed for many years, with ever-increasing refinements, by such heavy industries as cement and steel. At first there was the Pittsburgh-plus system, then the multiple basing-point system. S.719 would legalize only the latter, but this is of little solace since the primary result of all basing-point systems is the same.

That result is the quotation, by all producers, of absolutely identical delivered prices at any given destination, regardless of how near or far away the particular producer may be located. Thus, a steel buyer in St. Louis receives the same price for delivery in St. Louis from the St. Louis mills as from the Pittsburgh or Chicago mills. All price competition is eliminated, and local mills are denied the benefit of their location.

This is what the basing-point system is really all about. It is a technique of selling designed to preserve the status quo of industry—that is, the entrenched position of the large established companies (in steel the Pittsburgh mills), while preventing the growth of new plants in outlying areas.

The quoting of identical delivered prices at any given destination is made possible by the practice of absorbing

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shipping costs. All producers arrive at their delivered price at a specific destination by the sum of the "base price" at an agreed point plus rail freight from that mill to the point of delivery. A mill nearer the buyer than the "basing point" will collect more than it can claim on the basis of its price plus actual freight, and a mill farther away from the buyer than the "basing point" will collect less than its cost plus actual freight.

. . . and the Small Businessman

The practice favors the industry leaders. Since they are located in heavy consuming areas, their local sales can easily offset the costs of freight on shipments into the territories of small competitors. Since they have huge financial resources, they can afford to compete with smaller firms by extensive advertising and sales-promotion.

The small firms in the hinterlands can compete only by price. But they find that however low a price they quote in their local markets, their quotations are always matched by the distant industry leaders. To the small firm it becomes obvious that since its local market is to be shared at one price or another, the sharing might just as well be at a high price. At this point, the industry leaders find their short-run freight absorption converted to a long-run gain.

In this fashion, smaller members of an industry are kept in line, and at far higher prices than would prevail locally under normal conditions. But perhaps more important is the fact that the basing-point system thoroughly discourages entrance of new competitors in an industry. According to Senator Long, only two new cement plants were built in the twenty-five years prior to 1948, when the Supreme Court ruled against the cement industry's use of basing points. In the three years since that decision, fifty-two new plants have been either started or planned.

By its decisions in the 1948 Cement Institute Case and in the 1949 Rigid Steel Conduit Case, the Supreme Court has made it patently clear that all basing-point systems are illegal. The court has never ruled, however, that freight absorption to meet competition is illegal in itself, as Senator Johnson has indicated in his arguments for S.719. Individual freight absorptions are perfectly legal, as long as everyone in the industry isn't using the same practice universally, and hence creating a basing-point system.

Enter the Chain Stores

"The basing-point bill" was an unfortunate title for S.719, and Senator Douglas now sincerely regrets that he helped to choose it. For one thing, the basing-point aspects of the bill are the most difficult to explain. For another, even when explained, the basing-point authorization in S.719 seems much less important to the average citizen than those other sections of the bill which would permanently wipe out the Robinson-Patman Act. Few citizens have direct financial dealings with the steel and cement industries. But all of us must buy food, drugs, and other necessities.

Before passage of the Robinson-Patman Act, chain stores were rapidly taking over the country's retail merchandising. In a few years, they had acquired about fifteen per cent of the total retail business. Today, fifteen years after the passage of the Robinson-Patman Act, they still have only fifteen per cent.

A favorite practice of the expanding chain store in the early 1930's was price discrimination. The chain would drive out local competitors by underselling, even to the extent of taking losses for a considerable period of time. When the local competition had been eliminated, the chain would promptly raise its prices in the area and go on to another. The high prices in the first area then could be used to offset the losses incurred in driving out competition in the second area. This practice, of course, had a more immediate effect on the American consumer than did the basing-point system.

Harris & Ewing

Pat McCarran

Partly by design of its backers, partly by default of its opponents, in 1949 S.1008 was tabbed "the basing-point bill." Two years later, the title is still with us, now on S.719. But as a result of the Standard Oil case, the title is even less appropriate today than it was in 1949.

When President Truman vetoed S.1008 last summer, he succeeded both in blocking authorization of a basing-point system and in maintaining intact the language of the Robinson-Patman Act intended to outlaw price discrimination that hurts competition. A similar veto of S.719, should it pass Congress, would effect only the first aim. The Supreme Court has already decided the second, by ruling that the language of the Robinson-Patman Act doesn't mean what its backers intended it to mean. In the Standard Oil case, the Court ruled that even competition-destroying price discriminations are legal, unless the FTC can prove "bad faith" on the part of the seller—in most instances an impossible task.

Senators Douglas and Long now realize they must make price discrimination, not basing points, the main issue when debate is resumed on S.719. To accomplish this, Douglas has been toying with the idea of introducing a substitute bill for S.719. The substitute would consist entirely of the Robinson-Patman Act, word for word.

Douglas's theory is that such an outlandish move might well awaken his colleagues, most of whom have paid at least lip service to the Robinson-Patman Act. But Douglas also realizes that what is actually needed is not only a reassertion of the Robinson-Patman Act but a tightening up of that Act's language. Only in this manner can the Supreme Court be forced to reverse its Standard Oil decision, and rule that even price discrimination made "in good faith to meet competition" is illegal where its end result may be the lessening of that competition. The chain stores, in a state of elation since January, will be watching the Senate closely.

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Byrnes—the Missing Witness

In all the furor raised by recent foreign-policy investigations, the existence of one former Secretary of State was ignored

JOHN THOMASON

THOSE SENATORS who seized upon the MacArthur inquiry as a chance to fix the blame for all of our present difficulties in the Far East neglected, for a variety of reasons, to summon one witness who, perhaps more than anybody else, deserves to be called the chief architect of our postwar foreign policy. It seemed that the Senators did not remember that between July, 1945, and January, 1947, there had been a Secretary of State named James F. Byrnes, who was President Roosevelt's assistant at the Yalta Conference in 1945, then became Secretary of State and accompanied President Truman to Potsdam, and gave General George C. Marshall instructions for his now hotly debated China mission.

Those Senators who are looking for villains have been shooting all around him—at President Truman, under whom Byrnes served; at Dean Acheson, Byrnes's personal choice as Under Secretary; at General George C. Marshall, Byrnes's successor; and at John Carter Vincent, Byrnes's director of the State Department's Far Eastern Division—but never directly at him.

Yet Byrnes either participated in the formulation of what has been called "our disastrous Far Eastern policy" or he was so poor an administrator that he did not know what was going on around him. The second possibility can surely be discounted. "As Secretary of State, he, more than any one man, shaped and directed American foreign policy during that critical time," says the dust jacket of his own book, *Speaking Frankly*. The Council on Foreign Relations bears out this assertion in its *The United States in World Affairs, 1945-1947*. "Temperamentally, Byrnes was not inclined to share his responsibilities with his subordinates," the council reports. "He left no doubt that he intended to be in fact the Secretary of State, not the spokesman of the ideas of others, in handling the crucial issues of American policy toward Russia. The successes, and the shortcomings, of that policy were therefore peculiarly his own."

On Acheson and Yalta

Of course it is true that Byrnes, who devoted most of his time to European problems, was away from Washington 350 of his first 506 days in office, but he himself has not so far disavowed any of the responsibility for decisions taken during his time in office. "I could not have devoted myself so completely to the task of peace making in the conferences abroad," Byrnes has written, "had I not known the work of the Department was being efficiently carried on under the direction of a man with the unusual ability and energy of . . . Acheson."

James F. Byrnes

In marked contrast to Senator Robert A. Taft's claim that "Yalta . . . set up Soviet Russia in a position where it dominates Europe and Asia today," Byrnes has said that "A realistic conclusion is that the war agreements gave the Soviet Union very little that they were not in a position to take . . . "

Byrnes defended the Yalta agreements vigorously in a speech delivered to the American Bar Association in Seattle on September 6, 1948, eighteen months after his resignation. "The Yalta Conference occurred only six weeks after the Germans had launched the Battle of the Bulge," he said. "We had not yet crossed the Rhine. No one knew how long the European war would last or what toll in casualties it would exact. It was not known whether the atomic bomb could be produced. Our Marines had not landed on Iwo Jima. Our military leaders were preparing for an invasion of Japan in November, 1945. It was their opinion, on which statesmen had to rely, that in such an invasion we would suffer one million casualties."

Byrnes may be presumed to have as much hindsight as the next man, but he has not yet attempted to pass it off as superior wisdom. "No one of them [Roosevelt and his military advisers] could have anticipated the difficulties we encountered after Yalta," Byrnes has said. "However, an agreement had been made and we had to stand by our obligation."

On China Coalition

Of the Moscow Foreign Ministers' Conference, held in December, 1945, Byrnes has written, "We had secured agreement on the presence of our troops in China and had stimulated a restatement by Stalin of his support of the National Government of China.

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Coming at a time when General Marshall was beginning his effort to bring about a unified and democratic China, this seemed an important gain."

Byrnes's support of Marshall's attempts to bring about an armistice between the Nationalists and the Communists and to establish a coalition government in China was expressed when he went before the Senate Foreign Relations Committee on December 7, 1945, and stated Marshall's purpose as "the development of a strong, united and democratic China."

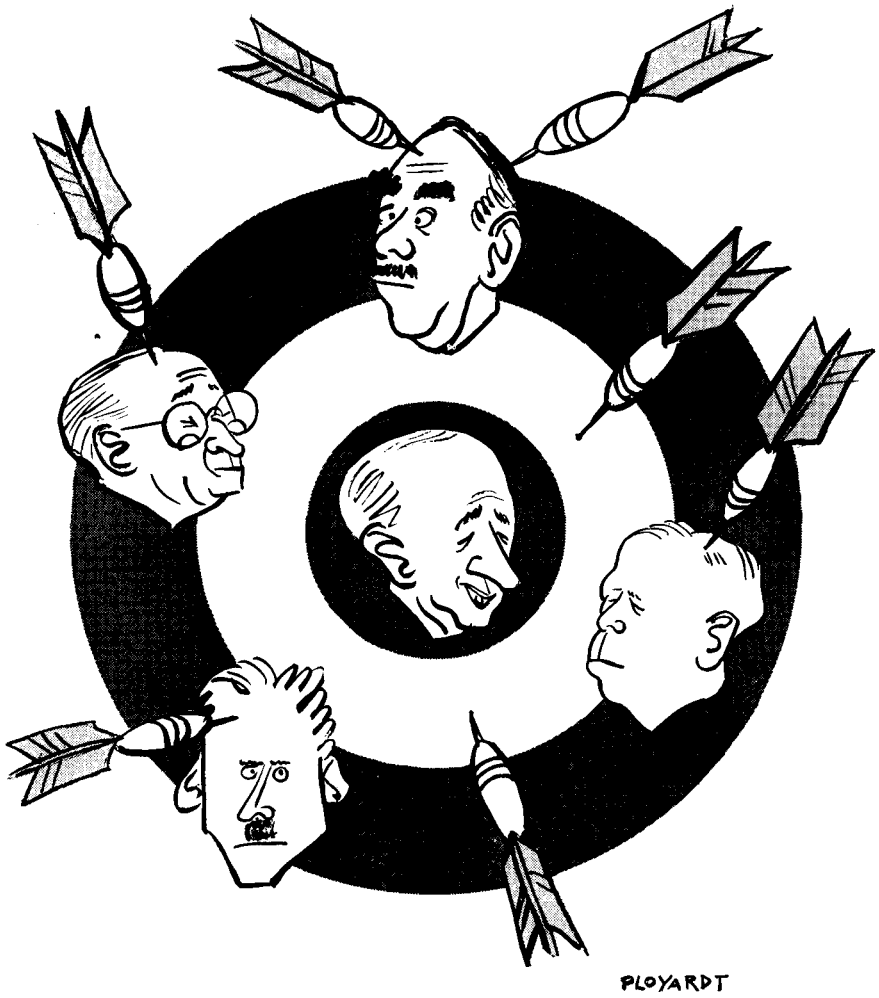
Marshall's Briefing

The instructions under which General Marshall went to China were the subject of considerable debate during the investigation. Byrnes made his own part clear when he wrote:

"Before Ambassador Hurley's resignation, the State Department had prepared a statement of policy on China, the first draft of which I showed the Ambassador a few days before he resigned. As soon as President Truman appointed General Marshall his personal representative in China, I asked the General to study the draft so that he could help prepare the final statement for presentation to the President. The Sunday before I left for Moscow, Under Secretary Acheson, General Marshall and members of his staff met in my office. By the end of the morning's discussion, we had agreed upon the statement of policy that subsequently was approved by the President and released to the public . . ."

If the inquiry had in fact been nothing more than an investigation into the dismissal of General MacArthur, the testimony of the present Governor of South Carolina would, of course, have been irrelevant. But as the show turned into a general dredging up of our postwar Far Eastern policy, the testimony of the former Secretary of State would certainly have served a useful purpose.

The Senators may have had a variety of reasons for not summoning this singularly well-informed citizen. The chairman of the investigating committee, Senator Richard B. Russell of Georgia, is an old friend of Byrnes's, and both are confidently approaching the Democratic convention in Chicago next year with the conviction that the Southern conservatives can turn the nomination away from Mr. Truman or a Truman selection. It would not please Russell to have Byrnes tarred with the same brush that has caused Acheson so much trouble.



The Garrulous One

The Republicans, who may be nursing a fond hope that Byrnes would support a Republican nominee for President if Mr. Truman or someone like him runs on the Democratic ticket, had nothing to gain by embarrassing Byrnes. If Byrnes had appeared as a fighting defender of Yalta and his entire record as Secretary of State, he might have helped to swing public opinion even farther than it has been swung from the MacArthur-Republican axis.

The difficulty Republicans find with regard to Byrnes was perhaps best illustrated by Senator Taft during a radio broadcast on July 3. In the midst of a long and passionate attack on the State Department, it apparently struck him that he was discussing a period when the Secretary of State had been neither Acheson nor Marshall, but Byrnes. At first Taft hastily asserted that Vandenberg had talked Byrnes out of appeasement. Having put his foot in his mouth, Taft hurriedly stuffed his leg in. "Byrnes," Taft explained uneasily, "went through the State Department without ever getting down to the bottom very much or knowing what was going on in a lot of the departments."

The Quiet One

Although Byrnes's name is rarely mentioned by the inquisitors, his record as Secretary of State is under attack every day. While the character and reputation of the Under Secretary whom he trusted and respected are being assassinated, Byrnes is silent.

Columbia, South Carolina, must seem sheltered from the controversies raging in Washington to one who has the leisure to sip bourbon and branch water with friends in the evening as they discuss a future that seems promising—to a man who seems to have given up, for the time being, at least, "speaking frankly."

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Junkmen's Progress

Report on an increasingly important group of ragged individualists

RUTHVEN TODD

THE MAN wheeling a handcart piled awkwardly with everything from old cartons to oozing cushions and broken-down bedsteads is a familiar sight in the streets of Manhattan and, for that matter, of every large city. It is difficult to estimate exactly how many such carts there are in the five boroughs of New York, but the number must run into thousands, for there are small firms as well as big ones which deal with the material carried and which pass it on to the appropriate factories for reprocessing.

Anything not wanted by its owner and having no immediate cash value is junk. In rich America, junk used to be regarded as waste material to be sunk in the sea, left to rust and rot in dumps, or burned up. Now all this has changed. Even before the outbreak of the Second World War the need for reclamation of the reclaimable had become obvious. In those days the salvaged material was, for the most part, shipped to benighted countries that lacked the seemingly inexhaustible natural resources of the United States. Manhattan's Sixth Avenue Elevated Railway, for instance, was bought by Japan as scrap iron, though not shipped there owing to the war. Today salvage goes back into U.S. industry, where it is welcomed.

In time of plenty, waste is encouraged by manufacturers who are anxious to sell consumers new goods to replace those used. In time of war and of emergency, with goods and materials in short supply, the function of those who deal in junk becomes increasingly important.

Though no one is born to enter it, the profession of ragpicker is an old and honorable one, with the Paris *chiffonniers* the *doyens* of the trade. We are concerned here with the American

junkman, the collector of the unwanted and the unregarded, not with the large firms which buy from him and which deal directly with the reprocessing factories.

One of the most important of all forms of junk is paper, and it serves as a kind of barometer of economic conditions. On one Friday earlier this year the price paid for "corrugated" (the trade name for the cardboard used in cartons) jumped from $1.50 to $2 a hundred pounds.

Such increases, however, benefited only a select few. There are at least three distinct categories of junkman, and their positions can be judged from the financial treatment they receive from the large firms that buy their junk.

The lowliest form of junkman, far at the bottom of the heap, is the one who wanders through the street with a broken-down baby carriage picking at trash cans outside stores and houses. Should this individual, who is often an eccentric muttering to himself as he goes about his job, succeed in amassing a hundred pounds of assorted paper, he will receive, as his top price, no more than fifty cents. The dealers who buy from him justify this price by pointing out that the collector is unlicensed, and more than likely needs no more than a quarter's worth of the cheapest sherry, muscatel, or "half-and-half" (half sherry and half muscatel) to put him to sleep in a doorway.

Next in the scale are those who push handcarts. The majority of such carts are the property of the dealers who have taken out city licenses for them. The junkman turns up at the dealer's and borrows a cart, offering no security because he has none to offer. He then disappears with the cart for anything up to three or four days. The companies do not worry about the length of time a junkman is gone, knowing that he may have encountered a fortunate friend and that the two may have gone off on a sherry binge. The carts always turn up. These junkmen, known as scavengers, are paid only a dollar a hundred pounds for any paper they bring in, be it corrugated, newsprint, or bond. For rags, used in papermaking, they are paid two cents a pound.

The greatest amount of junk in any city is collected by such scavengers. Sam, who says he comes from Detroit and worked in a stockbroker's office before the 1929 crash, has the remnants of an educated voice, although his notion that every inhabitant of the Bowery was once a professional man should probably not be taken too seriously. The appalling sherry he buys for thirty-five cents a pint serves him as food, drink, and sleeping potion. According to the state of his finances he sleeps either in doorways or in lodging-houses where he pays a quarter or so a night up for his bed. He is frankly derelict, and he considers the junk business invaluable in helping him from one drunk to the next. There are, however, among the scavengers men to whom money has become a fetish, and cases are not uncommon of such apparent castaways being found dead, from exposure or from natural causes, in some hallway or alley, with several thousand dollars pinned among their tattered clothes.

The pinnacle of the pyramid is occu-

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pied by the man who owns a truck and who has a concession from large office and apartment buildings. He makes a comfortable living and, being beholden to no one dealer, is able to sell his goods to the highest bidder. On an afternoon early this year, for instance, when one Manhattan dealer raised his price for corrugated to $1.95 while another was offering $2, the intelligence spread quickly and in consequence the second dealer got the pick of the business.

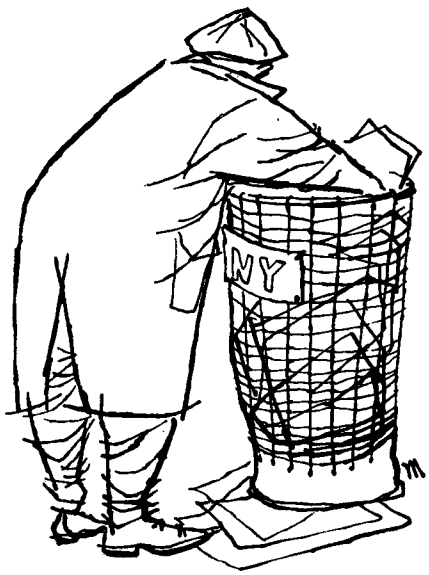
An insight into the business can be gathered from a brief consideration of a truck owner whom we shall call Ben. Until recently Ben was the proprietor of a laundry, but circumstances forced him into bankruptcy, and he looked around for a new enterprise. He came to the conclusion that there were only two worth entering—farming and junk. These two businesses, he reasoned, apart from gold or uranium mining, are the only ones in which everything one produces is automatically purchased—in the case of the farmer by the government, and in that of the junkman by the dealers, who are being pestered by manufacturers to produce more and more salvage. As an old East Side New Yorker, Ben realized that farming was out of the question for him, and so he became a junkman. He was fortunate in acquiring the concession in a large and expensive new block of apartments, and the corrugated he collects from it is his principal source of income.

Newsprint brings somewhere about $1.20 a hundred pounds, but comparatively little of it survives to reach Ben. The explanation lies in the construction of the modern apartment house. The woman of the house or her maid usually throws the newspapers down the incinerator chute along with the rest of the garbage. The cartons in which food is delivered from the stores, or in which household goods are packed, are too large to go down the chute without being cut into suitable fragments. The simple method of disposal is to leave them in the hallway for the janitor to collect. Ben tips the janitors for their collaboration in collecting this material, but apart from this his costs are negligible.

Ben vs. the United States

At the present moment he is trying to acquire a baling machine, which, set up in the basement of the building, will enable him to tie wire round the cartons, flattened and compressed in bales of about three hundred pounds apiece. In connection with this he has entered into a small private war with the government. The baling-machine dealer to whom he applied went in turn to the manufacturer, who informed him that since certain essential materials are used in the machine, it would be impossible to supply it.

As the collection of corrugated for remilling is important, and as it is almost impossible to handle large quantities without a baling machine, Ben thought this a trifle ridiculous. He informed the manufacturer that he had recently acquired two steel bank doors, weighing well over a ton each, and asked him to inform the appropriate government department that until he received his baling machine (weighing about nine hundred pounds) he did not propose to release these doors for sale, nor did he intend to sell any of the other steel scrap he had acquired or might acquire. Rather he would let it all rust away or, if he was forced to pay a black-market price for his machine, sell it in the black market to recompense himself. No law exists to prevent a junkman from hoarding the materials he collects, so someone in a government department will be forced to make up his mind whether it is better to release the smaller quantity of essential materials needed for the baling machine, which will help deal with important salvage, or lose Ben's much larger quantity of steel.



The junkman, parasitic though some of his operations may seem, is in many ways one of the last great individualists, consistently "agin the government." So far as income tax is concerned he finds it easy to evade governmental interference. Since the large dealers do most of their business with casual workers who for the most part pick up a couple of dollars at a time, all transactions are in cash and no record is kept of the name of giver or recipient. In consequence, the junkman and his conscience have to decide how much he makes. Not unnaturally, around March 15 the junkman tends to think in terms of the poor days when he made only two or three dollars.

For the concessionaire there is an occasional further source of income. Among the objects thrown out he may find some trifle that he can sell to an antique dealer, or an old bed with a spring mattress that can be turned over to one of the dealers who specialize in secondhand furniture. Just the other day, for example, Ben found a cruet set, valued at twelve dollars for the sterling alone. He has had it cleaned and is having the monogram removed, and expects to sell it for considerably more than the sterling price.

In case, however, it is thought that the junkman's job is an easy one and that he gets all his money for nothing, it should be made quite clear that the manual labor involved in moving, say, a couple of tons of cast-iron sewing-machine heads from a basement at the bottom of a steep stairway and along a long corridor is considerable, and that the hours worked are long. Ben, for instance, may work on and off during a day for as long as eighteen hours, while some of the handcart junkmen have been known to do as much as thirty hours at a stretch. It should, incidentally, be mentioned here that no honest truck-owning junkman would for a moment consider stopping to pick up a small pile of cartons lying on the sidewalk. These are the perquisite of the scavengers.

At present business is booming. The economy of the 1950's may well come to depend more and more upon the amounts we can salvage. In such an era the junkman, no matter how alcoholic he may be, becomes an important citizen.

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The Face of the Deep

The material in The Sea Around Us, *warns a reviewer, might awe admirals and generals right out of their jobs*

GOUVERNEUR PAULDING

THE SEA AROUND US. By Rachel L. Carson. *230 pages. Oxford University Press. $3.50.*

THE URGENT and ugly question of censorship arises in connection with Miss Rachel L. Carson's book *The Sea Around Us.* Regardless of civil liberties, it must be withheld from admirals and other strategists concerned with sea power, for the power of the sea in Miss Carson's book is so tremendous that it dwarfs the little battleships that sail it and makes it seem ridiculous to have them there at all. It is not a safe book for an army, either, since the continents that armies attack or defend are no more than "transient intrusions of land above the surface of the all-encircling sea."

If our ancestors had read Miss Carson's book, no Greek galleys would have fought at Salamis; the Spanish Armada would not have sailed for Britain; Nelson would not have fought Trafalgar. Instead, with their agile and speculative minds, the Greek commanders would have been busy observing plankton, the mysterious food that nourishes all life; the Spanish would have been looking for a proof of God's existence in the phenomenon of phosphoresence; Nelson would have been at the South Pole planting the British flag. That is to say if our ancestors had read Miss Carson's book carefully. Nobody reads a book carefully when it obliges one to look too far back in time or too far ahead.

Cradle of Life

We are always asking people to take the "long view," but we do not mean what we say; we do not know what we are asking for.

More than two billion years ago, perhaps, the molten earth, long detached from the sun, was cooling. A thin crust formed. Possibly it was then that what became the moon was ripped from the earth by some colossal tide, creating the great chasm of the Pacific, preparing the basin for that future ocean which, with comic and unspeakable disproportion, we are sometimes led to think of—by General MacArthur, for instance—as forming a "natural moat to defend the United States." But there was no water then on earth anywhere at all. Heavy layers of cloud enveloped the globe. No sunlight could pierce them—"And so the rough outlines of the continents and the empty ocean basins were sculptured out of the surface of the earth . . . in a Stygian world of heated rock and swirling cloud and gloom.

"As soon as the earth's crust cooled enough, the rains began to fall . . . They fell continuously, day and night, days passing into months, into years, into centuries. They poured into the waiting ocean basins, or, falling upon the continental masses, drained away to become sea."

Life was born in the sea. Between one and two billion years ago, the earliest life, molecules of protoplasm with the ability to reproduce themselves, appeared (to no one), or happened (why?), or were created (but by whom?). Two hundred and sixty-five million years ago, perhaps, the first amphibian creature ventured out of the sea and looked upon the land—if it wasn't blind. Ages passed—Ordovician, Silurian, Devonian, and the rest, reaching down almost unfathomably in fine print on the chart Miss Carson provides of the history of the earth and its life—until, at some time within the last million years, something that looked like a man made its appearance.

Transitory Continents

That is the long view of man in his relationship to time and space, and it is dismaying to the anthropocentric. "I am forty-six," wrote St. Augustine. "The only certainty is that I have forty-six less years to live." Man is a million years old; he has a million less

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years to live. And John Donne, in the famous passage salvaged for our times in a book and movie title, is, it turns out, even gloomier: "No man is an Iland, intire of it selfe; every man is a peece of the Continent . . . if a Clod bee washed away by the Sea, Europe is the lesse. . ." There is no "if" about it; Europe, and all the continents and all the islands, are every day the less.

It is difficult to suggest the mastery with which Miss Carson proceeds from the detail of tiny creatures in the sea to an awesome account of, say, the submarine volcano that first built up and then destroyed, in 1883, the island of Krakatoa, between Java and Sumatra in the Netherlands Indies. When the eruptions ceased, "the island that had stood 1400 feet above the sea had become a cavity a thousand feet below sea level. . . . The eruption gave rise to a hundred-foot wave that wiped out villages along the Strait and killed people by tens of thousands." Almost all islands are of volcanic origin; they emerge, and, in a geological moment, they disappear.

The continents are not less vulnerable. All life upon them depends on the sea. Man has the component elements of the sea literally in his blood. But the rains, which bring life to man and the land, return in rivers to the sea, carrying with them particles of land—billions of tons—in a process of patient but triumphant subtraction. Man "In the artificial world of his cities and towns . . . often forgets the true nature of his planet and the long vistas of its history . . . the truth that his world is a water world, a planet dominated by its covering mantle of ocean. . . ."

Grandiose Vision

Miss Carson views this process with a serenity that this review fails to reveal. The winds and the waters move, the tides move up on the beaches and withdraw. Diaphanous creatures in the sea absorb invisible food; bigger fish eat littler fish—and so ad infinitum. But the larger image Miss Carson retains is that of a sort of pulsation through which life manifests itself. That is why, in this book which one could call Olympian—were Olympus something more than a little hill about to crumble, on a small and jagged promontory about to be engulfed—the facts it presents are all of equal importance, the minute observation as mysterious and dramatic as the history of cataclysmic upheaval. In Miss Carson's book the ice age advances and withdraws; the Sargasso Sea, "forgotten by the winds," nourishes its strange warm world of life forms caught on a sort of watery island "deserted by the strong flow of waters that girdle it as with a river"; the great ocean currents move clockwise and counterclockwise in the Northern and Southern Hemispheres. There is this grandiose vision of time and space—but there is also, on the Brittany beaches, the small worm Convoluta.

Remembrance of the Tide

A final quotation is perhaps the only way to show the quality of her writing: "Convoluta has entered into a remarkable partnership with a green alga, whose cells inhabit the body of the worm and lend to its tissues their own green color. The worm lives entirely on the starchy products manufactured by its plant guest, having become so completely dependent upon this means of nutrition that its digestive organs have degenerated. In order that the algal cells may carry on their function of photosynthesis (which is dependent upon sunlight) Convoluta rises from the damp sands of the intertidal zone as soon as the tide has ebbed, the sand becoming spotted with large green patches composed of thousands of the worms. For the several hours while the tide is out, the worms lie thus in the sun, and the plants manufacture their starches and sugars; but when the tide returns, the worms must again sink into the sand to avoid being washed away, out into deep water. So the whole lifetime of the worm is a succession of movements conditioned by the stages of the tide—upward into sunshine on the ebb, downward on the flood.

"What I find most unforgettable about Convoluta is this: sometimes it happens that a marine biologist, wishing to study some related problem, will transfer a whole colony of the worms into the laboratory, there to establish them in an aquarium, where there are no tides. But twice each day Convoluta rises out of the sand on the bottom of the aquarium, into the light of the sun. And twice each day it sinks again into the sand. Without a brain, or what we could call a memory, or even any very clear perception, Convoluta continues to live out its life in this alien place, remembering, in every fiber of its small green body, the tidal rhythm of the distant sea."

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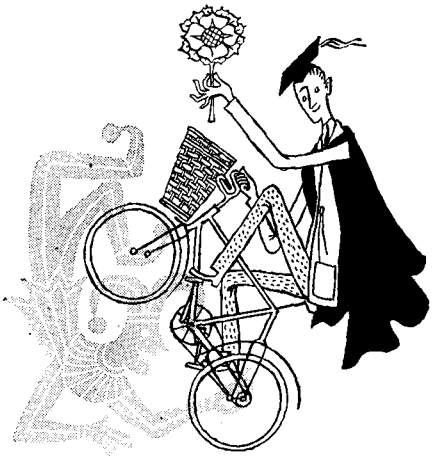
Postwar Cambridge



Slow evolution within a stoutly —and justly—defended ivory tower

JOHN ROSSELLI

IT SOMETIMES happens that an American visitor to Cambridge, slightly bewildered by the variety and profusion of architecture round him, stops an undergraduate in the street and asks him, "Can you tell me the way to the university?"

The undergraduate, if he feels like being helpful rather than clever, can launch into a lengthy explanation. The university—he can say—is the colleges: the nineteen men's colleges, the two women's colleges, and the comet's tail of theological and teachers' colleges and other minor "institutes." But the colleges are not exactly the university, for the university is a legal person; though it is not to be found in any one place at any one time, it owns land and buildings, sets examinations, confers degrees, and appoints lecturers; its constitution stems from an Act of Parliament.

But if our American visitor, having grasped the structural differences between Cambridge and, say, Ohio State, wants to find out more about the life, the atmosphere of the place, where shall he look? There is really too much to look at, and people have seen many different things here. An American poet, Helen Bevington, dropped in a year or so ago and saw "white swans, pink undergraduates on the Cam" (the *New Yorker*). That picture will not soon change. Virginia Woolf declared, in *Jacob's Room,* that though some might say the sky was the same everywhere, yet "above Cambridge—anyhow about the roof of King's College Chapel—there is a difference. Out at sea a great city will cast a brightness into the night. Is it fanciful to suppose the sky, washed into the crevices of King's College Chapel, lighter, thinner, more sparkling than the sky elsewhere? Does Cambridge burn not only into the night, but into the day?"

Plus ça change . . .

Mrs. Woolf and Mrs. Bevington are, of course, women; and women, though the university has recently acknowledged their existence, are comparative newcomers who might perhaps be expected to see Cambridge—and especially those shreds of Plato's Academy and medieval monasticism that still cling to it—in too shimmering a light. No, the large and somewhat forbidding question has still to be asked: What is life at Cambridge like today, in the light of day, for most undergraduates—which really, and unfortunately if you believe in coeducation, means for men undergraduates? Has the slow, quiet revolution that has been going on in Britain for the last fifty years touched Cambridge?

At first glance little has changed, even physically. The colleges raise their serried buildings, unscathed by the war—white Gothic (both genuine and fake) next to dark brick Tudor, and equable Georgian jostling those assertive Victorian copies of French châteaux that are becoming fashionable once again with a small coterie. Buildings have been cleaned right and left since the war, and the neoclassical elegance of the Senate House and of Wren's Pembroke Chapel now looks positively Mediterranean in the sunlight. As for the buildings put up in the last twenty years or so, they are mostly tame imitations of the eighteenth century. Like the buildings, the routine of life inside and about them has scarcely changed outwardly. Cambridge is still a market and university town; its crowds, even when mounted on rusty bicycles and impeded by flapping gowns, are leisurely. Inside the colleges, the visitor familiar with English literature would find little to surprise him (though people somehow tend to go to Oxford in novels): the staircases distributed around the court, each leading to five or six sets of rooms; the teakettles boiling on the landings; the pitchers and basins standing in the small, bare bedrooms; the walk across several courts to a morning bath; the ritual of grace before dinner in Hall; and that other ritual, climbing in after midnight—all these are what they were.

But Cambridge is badly overcrowded, still more so than most English towns. Even before the war the colleges could not house all the students; and the postwar rise in the student population shows no sign of abating. So a great many undergraduates live in lodgings that run, not to beamed ceilings and whitewashed walls, but to brown flowered wallpaper and reproductions of Burne-Jones and Landseer. Not everyone can lean out of his window on a clear night and hear the sound of conversations in other rooms drifting softly across the court.

Societies—Good or 'Great'

Stephen Leacock once wrote that the Oxford undergraduate learned less by attending lectures than by being "smoked at" for an hour once a week by his tutor. That still holds true at Cambridge—with the slight difference that here the person doing the smoking is called a supervisor. The arts student, at any rate, usually attends no more than eight or ten lectures a week, and spends most of his time reading and preparing the weekly essay which he will discuss with his supervisor. The science student necessarily spends more time in lecture rooms and laboratories,

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but for him, too, personal supervision is the element that marks one great difference between Cambridge and, for instance, London, Manchester, or Michigan. This process of acquiring not so much knowledge as understanding through a kind of intellectual osmosis, while supervisor and pupil sit wreathed in contemplative smoke, is a touch-and-go business: Minds, like gears, may not mesh. Perhaps the system would not work as well as it does if it were not the formal expression of that argument for argument's sake which is a perennial custom and almost a mania. The legend that discussion of serious subjects is considered "bad form" in England would not long survive an acquaintance with Cambridge. It may be the privilege of a closed society, withdrawn—artificially withdrawn, if you like—from "the great world," to question every official truth and lie open to every intellectual breeze. E. M. Forster put it very well in *The Longest Journey,* the best account of Cambridge ever written, though one that is perhaps slightly idealized:

"The earth is full of tiny societies, and Cambridge is one of them. All the societies are narrow, but some are good and some are bad . . . The good societies say, 'I tell you to do this because I am Cambridge.' The bad ones say, 'I tell you to do that because I am the great world'—not because I am 'Peckham,' or 'Billingsgate,' or 'Park Lane,' but 'because I am the great world.' They lie. And fools like you listen to them, and believe that they are a thing which does not exist and never has existed, and confuse 'great,' which has no meaning whatever, with 'good,' which means salvation." And Mr. Forster's undergraduates, sprawled about a room discussing, earnestly and inconclusively, whether or not the cow is there when there is no one to perceive it, may still be found in countless other rooms talking, talking, talking for the best purpose in the world—that of hearing their own and each other's voices.

The Apostles and After

"The earth is full of tiny societies." Whether or not this is true or ought to be true, Cambridge is certainly a prime example of the multiple society. Groups of all kinds, formal and informal, flourish here, so much so that some people complain that the place is riddled with cliques. Societies pullulate, ranging from the oldest—the Union, that miniature House of Commons, which now wonders whether it will go on turning out Prime Ministers in the future as in the past—to the Dampers Club, formed in June, 1951, which is made up of students who have involuntarily fallen into the river out of punts, the flat-bottomed gondolas of the Cam. This multiplicity of groups and clusters of students makes it practically impossible to point to any one tendency and say, "This is it, this is Cambridge." Readers of Roy Harrod's life of Lord Keynes, and of Keynes's own *My Early Beliefs,* will remember the Apostles—Lytton Strachey, Keynes, Clive Bell, Leonard Woolf, and their friends—who devoted themselves to the proposition that "good states of mind" and personal relations are the true requisite of the good life, and renounced the world with its insistence on success, material progress, and conventional morality. But it would be a mistake to suppose that the Apostles, brilliant and influential though they were, in any way typified Cambridge at the beginning of the century: They were, as a matter of fact, confined to one or two colleges, and most of their contemporaries were probably unaware of their existence. So when we come to consider the present temper of the university and to ask how it has changed in recent years, it is unsafe to generalize about so multiple a society.

Whitehall Replaces Papa

Before the Second World War the student body was not, as some might think, made up almost entirely of those whose parents could afford to send them to

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Cambridge. In 1935-1936, for instance, 43.7 per cent of all students at Oxford and Cambridge were "assisted" with scholarships by the universities, the colleges, the state, or the local education authorities: The Welsh miner who went to either of the older universities on a scholarship has long been a familiar figure in Parliament. But before the war scholarships were often insufficient, and those who won them had to eke them out with as many grants as they could get from several different funds. Life at Cambridge is expensive, working one's way through college unknown, and—in three concentrated terms of only eight weeks each—practically impossible. Scholarship students therefore tended to lead somewhat restricted and care-ridden lives, and some had to give up the chance of a university education altogether.

The war changed the situation completely. The university itself could no longer live on fees and endowments, and nearly half its revenue—as against a quarter before the war—now comes from the state. (This money is distributed to the universities by a typically British institution called the University Grants Committee, which is responsible to the Treasury but is not itself a part of the government.) The number of "assisted" students also went up after the war to about eighty per cent of the total. Most of these were veterans; the government paid the student's fees and a maintenance allowance calculated according to his means but designed to give him a reasonable standard of living without the need to earn extra money, except possibly during part of the summer vacation.

Reward for Brains

Now the veterans are dwindling away, but the state has increased the number of its scholarships and raised the maintenance allowances attached to them to the same level as the veterans'. Winners of most university and college scholarships also have their awards supplemented by the state on the same scale. Local-authority awards are still on a somewhat lower scale, and it is too early to tell exactly how the situation will develop; but it looks as though from now on at least two-thirds of all university students (that is, all who reach a certain standard in their entrance examination *and* gain admission to a university—not always an easy thing to achieve in these times of overcrowding) will have as much of their expenses as they or their parents cannot bear, in many cases the whole thing, paid on a sufficient scale by the state or the local authorities.

Still 'Not for Tradesmen'

What will be the effect of such a revolution in education—for that is what it is—on a university like Cambridge? The change will probably not be felt at once, nor as sharply as one might suppose. In the first place, the state, in making education virtually free for many students, has deliberately sacrificed quantity to quality. A Cambridge education is necessarily expensive, and it could not be extended to many more than the 7,000 or so students without destroying the personal, informal qualities that make it what it is. In the whole country there are only about 80,000 university students (30,000 more than in 1939), as against 200,000 in Italy, a country with much the same population and fewer openings for graduates. The government, in fact, has chosen not to throw education open to all but to give a relatively small number of students—selected mainly for intelligence—the sort of education which until recently only the rich could afford. And it will be the same education, with plenty of leisure and very few cares; "responsibility" can come later. In the second place, the composition of the student body cannot be expected to change very quickly: For some years the sons of business and professional men will still be in the majority, not because of their financial advantages—which are withering away in any case—but because their background inevitably gives them a head start. But just as in England now the various classes are undergoing a remarkable process of leveling and interpenetration, so the university will most likely cease to be the preserve of any one class in its membership, even while it keeps to the secure and leisurely way of life of the past.

Fabric of the Dons

Whatever happens, the university is certainly determined not to be transformed into a vocational institution, turning out graduates on the assembly line for particular jobs. The dons—the Fellows—will see to that. Undergraduates come and go, but the dons are the university. Crotchety, parochial, or abstracted though some of them may seem, they are—as an outsider, Virginia Woolf, said, "the fabric through which the light must shine, if shine it can." They will not give the great world much of a hearing if it tells them that Cambridge is antiquated, aimless, withdrawn into an ivory tower, for in that very withdrawal, that slow evolution within unchanging forms, lies its worth.

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The Pedestrian

A story by RAY BRADBURY

To enter out into that silence that was the city at eight o'clock of a misty evening in November, to put your feet upon that buckling concrete walk, to step over grassy seams and make your way, hands in pockets, through the silences, that was what Mr. Leonard Mead most dearly loved to do. He would stand upon the corner of an intersection and peer down long moonlit avenues of sidewalk in four directions, deciding which way to go, but it really made no difference; he was alone in this world of A.D. 2131, or as good as alone, and with a final decision made, a path selected, he would stride off, sending patterns of frosty air before him like the smoke of a cigar.

Sometimes he would walk for hours and miles and return only at midnight to his house. And on his way he would see the cottages and homes with their dark windows, and it was not unequal to walking through a graveyard, because only the faintest glimmers of firefly light appeared in flickers behind the windows. Sudden gray phantoms seemed to manifest themselves upon inner room walls where a curtain was still undrawn against the night, or there were whisperings and murmurs where a window in a tomblike building was still open.

Mr. Leonard Mead would pause, cock his head, listen, look, and march on, his feet making no noise on the lumpy walk. For a long while now the sidewalks had been vanishing under flowers and grass. In ten years of walking by night or day, for thousands of miles, he had never met another person walking, not one in all that time.

He now wore sneakers when strolling at night, because the dogs in intermittent squads would parallel his journey with barkings if he wore hard heels, and lights might click on and faces appear, and an entire street be startled by the passing of a lone figure, himself, in the early November evening.

On this particular evening he began his journey in a westerly direction, toward the hidden sea. There was a good crystal frost in the air; it cut the nose going in and made the lungs blaze like a Christmas tree inside; you could feel the cold light going on and off, all the branches filled with invisible snow. He listened to the faint push of his soft shoes through autumn leaves with satisfaction, and whistled a cold quiet whistle between his teeth, occasionally picking up a leaf as he passed, examining its skeletal pattern in the infrequent lamplights as he went on, smelling its rusty smell.

"Hello, in there," he whispered to every house on every side as he moved. "What's up tonight on Channel 4, Channel 7, Channel 9? Where are the cowboys rushing, and do I see the United States Cavalry over the next hill to the rescue?"

The street was silent and long and empty, with only his shadow moving like the shadow of a hawk in midcountry. If he closed his eyes and stood very still, frozen, he imagined himself upon the center of a plain, a wintry, windless Arizona country with no house in a thousand miles, and only dry riverbeds, the streets, for company.

"What is it now?" he asked the houses, noticing his wrist watch. "Eight-thirty P.M. Time for a dozen assorted murders? A quiz? A revue? A comedian falling off the stage?"

Was that a murmur of laughter from within a moon-white house? He hesitated, but went on when nothing more happened. He stumbled over a particularly uneven section of walk as he came to a cloverleaf intersection which stood silent where two main highways crossed the town. During the day it was a thunderous surge of cars, the gas stations open, a great insect rustling and ceaseless jockeying for position as the scarab beetles, a faint incense puttering from their exhausts, skimmed homeward to the far horizons. But now these highways too were like streams in a dry season, all stone and bed and moon radiance.

He turned back on a side street, circling around toward his home. He was within a block of his destination when the lone car turned a corner quite suddenly and flashed a fierce white cone of light upon him. He stood entranced, not unlike a night moth, stunned by the illumination and then drawn toward it.

A metallic voice called to him:

"Stand still. Stay where you are! Don't move!"

He halted.

"Put up your hands."

"But—" he said.

"Your hands up! Or we'll shoot!"

The police, of course, but what a rare, incredible thing; in a city of three million, there was only one police car left. Ever since a year ago, 2130, the election year, the force had been cut down from three cars to one. Crime was ebbing; there was no need now for the police, save for this one lone car wandering and wandering the empty streets.

"Your name?" said the police car

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in a metallic whisper. He couldn't see the men in it for the bright light in his eyes.

"Leonard Mead," he said.

"Speak up!"

"Leonard Mead!"

"Business or profession?"

"I guess you'd call me a writer."

"No profession," said the police car, as if talking to itself. The light held him fixed like a museum specimen, needle thrust through chest.

"You might say that," said Mr. Mead. He hadn't written in years. Magazines and books didn't sell any more. Everything went on in the tomblike houses at night now, he thought, continuing his fancy. The tombs, ill-lit by television light, where the people sat like the dead, the gray or multicolored lights touching their expressionless faces but never really touching *them*.

"No profession," said the phonograph voice, hissing. "What are you doing out?"

"Walking," said Leonard Mead.

"Walking!"

"Just walking," he said, simply, but his face felt cold.

"Walking, just walking, walking?"

"Yes, sir."

"Walking where? For what?"

"Walking for air. Walking to *see*."

"Your address!"

"Eleven South St. James Street."

"And there is air *in* your house, you have an air-*conditioner,* Mr. Mead?"

"Yes."

"And you have a viewing screen in your house to see with?"

"No."

"No?" There was a crackling quiet that in itself was an accusation.

"Are you married, Mr. Mead?"

"No."

"Not married," said the police voice behind the fiery beam. The moon was high and clear among the stars and the houses were gray and silent.

"Nobody wanted me," said Leonard Mead, with a smile.

"Don't speak unless you're spoken to!"

LEONARD MEAD waited in the cold night.

"Just walking, Mr. Mead?"

"Yes."

"But you haven't explained for what purpose."

"I explained: for air and to see, and just to walk."

"Have you done this often?"

"Every night for years."

The police car sat in the center of the street with its radio throat faintly humming.

"Well, Mr. Mead," it said.

"Is that all?" he asked politely.

"Yes," said the voice. "Here." There was a sigh, a pop. The back door of the police car sprang wide. "Get in."

"Wait a minute, I haven't done anything!"

"Get in."

"I protest!"

"Mr. Mead."

He walked like a man suddenly drunk. As he passed the front window of the car he looked in. As he had expected, there was no one in the front seat, no one in the car at all.

"Get in."

He put his hand to the door and peered into the back seat, which was a little cell, a little black jail with bars. It smelled of riveted steel. It smelled of harsh antiseptic; it smelled too clean and hard and metallic. There was nothing soft there.

"Now if you had a wife to give you an alibi," said the iron voice. "But—"

"Where are you taking me?"

The car hesitated, or rather gave a faint whirring click, as if information, somewhere, was dropping card by punch-slotted card under electric eyes. "To the Psychiatric Center for Research on Regressive Tendencies."

He got in. The door shut with a soft thud. The police car rolled through the night avenues, flashing its dim lights ahead.

They passed one house on one street a moment later, one house in an entire city of houses that were dark, but this one particular house had all its electric lights brightly lit, every window a loud yellow illumination, square and warm in the cool darkness.

"That's *my* house," said Leonard Mead.

No one answered him.

The car moved down the empty river bed streets and off away, leaving the empty streets with the empty sidewalks, and no sound and no motion all the rest of the chill November night.

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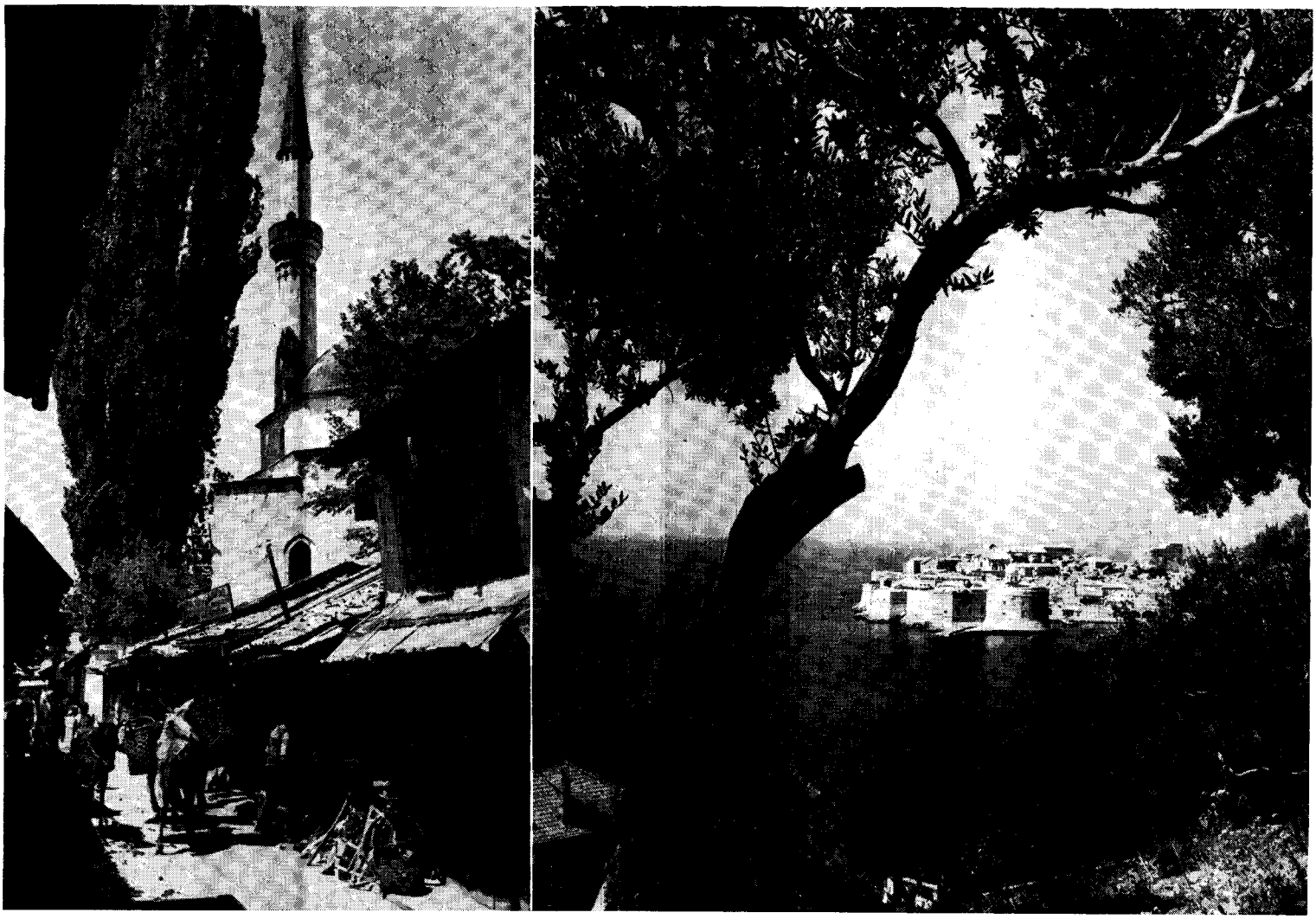
New apartment buildings and schools erected by Tito's régime . . .



. . . contrast with the old and picturesque in Yugoslavia (see page 21)

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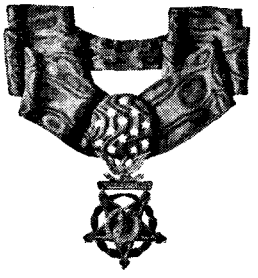
Medal of Honor



Sergeant Charles Turner, of Boston, Massachusetts—Medal of Honor, Korea. On September 1, 1950, near Yongsan, Korea, Sergeant Turner took over an exposed turret machine gun on a tank. Despite fifty direct hits on the tank, he stayed by his gun and destroyed seven enemy machine gun nests before he was killed.

You and your family are more secure today because of what Charles Turner did for you.

Sergeant Turner died to keep America free. Won't you see that America *stays* the land of peace and promise for which he gave his life? Defending the things he fought for is *your* job, too.

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